Daily Report

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Protocol Signed Between Albania, Bulgaria, Macedonia

AU1105151193 Tirana ATA in English 0813 GMT 11 May 93

[Text] Tirana, May 11 (ATA)—The protocol on the east-west corridor for the road, railway, air transportation, and telecommunication was signed by the ministers of transportation of Albania, Bulgaria, and Macedonia on May 8, 1993 in Ohrid of the former Yugoslav Republic of Macedonia. The protocol responds to the interests of the three above countries but also to those of other countries like Italy, Turkey, and others, which at the same time may assist in ensuring financial sources for the realisation of this corridor.

Invited in this meeting were observers from Macedonia, Italy, and Turkey, represented by the general consuls of these countries in Scopje.

The Minister of Transportation of Albania Fatos Bitincka insisted that, in the realisation of this corridor which links the east with the west, other countries that are interested should take part and this was agreed upon by the participants and was reflected in the approved joint protocol. They also draw the conclusion that until June 15 this year, the working groups of the three countries should concretely define the tasks for the realisation of this corridor. They should also inform the international organizations about this undertaking.

Present in the meeting was also the representative of the Republic of Albania in the former Republic of Macedonia, Leonidha Mertiri.

Czech, Slovak Ministers View Visegrad Cooperation

AU1105135293 Budapest MAGYAR HIRLAP in Hungarian 8 May 93 p 10

[Interview with Slovak Finance Minister Julius Toth and Czech Finance Minister Ivan Kocarnik by Zsuzsa N. Vadasz; place and date not given: "To Cooperate, but How?"]

[Text] At the "Money Market '93" conference on the eastern-central European region's reorganized financial and trade relations, which ended on 9 May, the view was expressed that some kind of institutional framework should be established for financial settlements between the four Visegrad countries to help economic cooperation and increase trade. We asked two participants for their views on this, namely Julius Toth and Ivan Kocarnik.

Slovakia: We Have the Political Will for Cooperation

[Toth] I believe that this cooperation must be established between the four Visegrad countries. If for no other reason than because money is also needed if we want to do business. However, all countries have their own problems, including the fact that their money market has, we can put it this way, been ruptured. None of the four countries has enough convertible currency, and this can be seen as the reason that trade and business between them are not running as they could and should be. Therefore, in our view, it would be necessary for the finance ministers and central bank chairmen of these countries to meet more than once a year to discuss how the financial conditions for increasing trade could be established.

[Vadasz] What measures could be decided at such meetings?

[Toth] Generally, we could consider two methods. One could be similar to what already exists between Slovakia and the Czech Republic, namely the clearing system. There is a good chance that the big international financial organizations such as the World Bank or the European Bank for Reconstruction and Development [EBRD] would contribute to setting up the conditions. This could be one feasible way. The other is setting up joint banks that could actively participate in our financial accounting—this is what we previously did within the CEMA. The World Bank or the EBRD could also be included in this, within a project.

[Vadasz] What chances do you see of either of these suggestions being implemented?

[Toth] In my view, the EBRD would welcome these proposals. However, they have not been brought up before; this is the first time I have mentioned them in public. Nevertheless, I think that the four of us should definitely do this because there is a very large market to the east of us and the whole world wants to gain access to it while we are missing our chance. If we do not hurry, too much time will have been lost and later we will have to act in haste if we want to get back to these places.

[Vadasz] Does this mean that you agree that the Czech Republic, Poland, Hungary, and Slovakia must try to get joint access to the East and the West?

[Toth] At the EBRD general meeting in London, British Prime Minister Major said that since the West had convinced the eastern-central European countries to change their political, social, and economic systems and to start on the road to a market economy, they have to be helped in achieving this. They cannot solve all the problems on their own. In addition, these four countries faced virtually the same problems during the years of socialism. Although now some of them can change their economies better than others and their economic levels are different, the money problem and lack of foreign currency is characteristic of all four. This also applies to the enterprises of the four countries. This has to be solved somehow. Therefore, we have to use each other's experiences.

[Vadasz] This sounds good in theory but, apart from anything else, problems and tensions also exist in bilateral relations between these four countries. Which ones hinder and impede this process the most?

[Toth] In my view, for example, it is the fact that everyone is occupied with his own problems and is only working on solving these. We are not looking forward although increased foreign trade, including trade within the group, is absolutely necessary for economic development. However, we do not have enough convertible currency, which not only hinders but actually reduces growth.

[Vadasz] Does this mean that Slovakia is trying to achieve this kind of cooperation?

[Toth] The political will does exist in Slovakia.

Czech Republic: We Must Liberalize

[Kocarnik] These countries have to solve similar problems. At the same time, I think that liberalizing the economies to the largest possible extent and as fast as possible is the most viable method of improving cooperation between the Czech Republic, Poland, Hungary, and Slovakia. Reducing customs and quotas could be a general basis for closer ties.

[Vadasz] What is your view on the notion that these four countries should be a unit, because this would improve their chances to join the EC, for example?

[Kocarnik] The Czech Republic has a different view on this. We would not approve of creating some kind of bureaucratic framework for cooperation. We are convinced that true liberalization with proper content can help the development of economic relations.

[Vadasz] The Slovak finance minister said that his country has the political will to create closer trade links even on the basis of some kind of joint accounting system.

[Kocarnik] According to the Czech view, we certainly have to cooperate and conduct trade and business, but creating some kind of institutional system for this is a different matter. We are interested in the former, but not in the establishment of joint institutions.

[Vadasz] Does this mean that you wish to develop economic and trade relataions on a bilateral basis?

[Kocarnik] Indeed, in our view, this is the feasible way.

Hungary Halts French Aid Trucks for Bosnian Serbs

LD1105222293 Belgrade TANJUG in English 2134 GMT 11 May 93

[Text] Belgrade, May 11 (TANJUG)—Two trucks loaded with 50 tonnes of relief supplies from France to Serb civilians in Bosnia-Herzegovina have been stranded on the Yugoslav-Hungarian border since Hungarian custom officers halted them five days ago.

Novak Bratic, a representative of the Association of Serbs from Bosnia-Herzegovina, told TANJUG on Tuesday he had several times protested to the Hungarian authorities for halting the trucks with all necessary documentation. However, he said, the answer was that this "is Hungary's internal affair."

Bratic said such a political stand had no grounds in any of the U.N. resolutions.

The trucks, which reached the Hungarian-Yugoslav border last Thursday, are carrying food, medicine, [word indistinct] equipment and clothing for children—all gathered by the French humanitarian organization "Secours Populaire," the only in France sending relief supplies also to Bosnian Serbs.

Solange Henriot, a member of the organization's national bureau, told TANJUG's correspondent she had addressed the Hungarian authorities, the French Embassy and U.N. office in Budapest, UNICEF offices in Paris and Budapest—but without results.

Henriot said she was "appalled" by the attitude of the Hungarian authorities.

Romanian, EFTA Officials Assess Current Relations

AU1105150793 Bucharest ROMPRES in English 1336 GMT 11 May 93

[Text] Bucharest ROMPRES, 11/5/1993—Romanian Prime Minister Nicolae Vacaroiu received on May 11 at the government headquarters a delegation of the European Free Trade Association [EFTA], headed by Walter Brodman, president of the EFTA Economic Committee.

Prime Minister Vacaroiu expressed satisfaction at the unfolding in Bucharest of the EFTA committee-Romania meeting and outlined to the guests the stage of the economic and social reform in Romania.

The interview was attended by Napoleon Pop, head of the European Integration Department.

Walter Brodman told the press that the purpose of the meetings with the Romanian authorities was to assess the current relations between Romania and the EFTA countries, to analyze the problems and the progress marked since Romania signed the agreement with the EFTA.

He viewed such meetings as allowing for a better understanding for bilateral cooperation between EFTA and Romania.

Napoleon Pop stressed the importance of the meeting of the EFTA-Romania Joint Economic Committee and said that it would occasion also an exchange of views on Romania's government program in which an important place is held by economic restructuring and privatization, the measures of economic stability and bolstering of production in 1994.

Romanian Officials 'Counting on' G-24 Assistance

AU1005151493 Bucharest ROMPRES in English 1106 GMT 10 May 93

[Excerpts] Bucharest, ROMPRES 10/5/1993—A first meeting of the G-24 and of the so-called "Consultative Group" for Romania started today, 10 May, in Brussels attended by representatives of the EC Commission (a coordinator of the G-24 assistance), of Western member states and representatives of the major international financial institutions—the World Bank, the European Bank for Reconstruction and Development, the International Monetary Fund and the OECD [Organization for Economic Cooperation and Development].

Romania is represented by a top-level delegation, including, among others, Misu Negritoiu, minister of state and president of the Council for Coordination, Strategy and Economic Reform, Florin Georgescu, minister of finance, and Mugur Isarescu, the governor of the National Bank. [passage omitted]

"The meeting is to debate strictly the ways of assistance granted to Romania during the process of transition to a market economy, the contribution of each international financial body in part or that of the big donors and is operating a coordination of assistance on various projects, cofinancing included," told Misu Negritoiu a ROMPRES correspondent in Brussels. "The meeting is representing an important moment in the unfolding of Romania's financial foreign relations. On one hand, for we can now directly explain and facilitate to our partners in financial collaboration a better understanding of the programme of reform. On this basis, we are counting on the access to a certain financing coming from the group of 24, which is to add to the assistance granted by the International Monetary Fund, by the World Bank and the EBRD [European Bank for Reconstruction and Development] which has to practically support the reform programme and especially a reform at a micro-economic level," said the Romanian Minister of Finance Florin Georgescu.

Slovak Foreign Minister Visits Council of Europe

AU1005120493 Prague CTK in English 2140 GMT 6 May 93

[Text] Strasbourg, May 6 (CTK)—Slovak Foreign Minister Jozef Moravcik today visited the headquarters of the Council of Europe in Strasbourg, where he met with Secretary General Catherine Lalumiere and signed two sports conventions, the French news agency AFP reported today.

Moravcik added Slovakia's signature to the 1985 European Convention on Spectator Violence and Misbehaviour at Sports Events, currently observed by 19 countries.

Moravcik also signed the anti-doping charter for sport, formulated in 1984. Moravcik called for Slovakia's rapid induction into the Council of Europe. AFP, citing ministerial sources, said Slovakia would likely not be accepted as a member in autumn, when the Czech Republic is scheduled to be granted membership, due to problems with its Hungarian minority.

NATO Visit; Army Prepares To Face 'Serb Threat'

LD1105192793 Tehran IRNA in English 1742 GMT 11 May 93

[Text] Tirana, May 11, IRNA—The presence of NATO in Albania guarantees the development of democracy in this country, Albanian Defence Minister Safet Zhulali told a high-ranking NATO pact delegation here Tuesday.

The delegation, the fourth to visit here this year and led by Brigadier General Amadeus Surkeo, arrived on Monday for consultation with the staff headquarters of the Albanian Army.

Zhulali supported stern measures against Serbia because of its "complicity in genocide in Bosnia and the possibility of a spread of the conflict to Kosovo."

The international community sees the southern province of the former Yugoslavia, which has an overwhelmingly Albanian Muslim population, as a possible sparking point for a war which would engulf Macedonia, Albania and the Balkans. The region is under Serbian domination since the abolition of its autonomy in 1990.

Large scale movement of Serbian troops towards the Albanian border were reported here recently. "Our Armed Forces must be ready in face of the Serb threat of a massacre of Kosovo Albanians," chief-of-staff of the Albanian Army, Lt. General Ilia Vasho said here in the course of his inspection of troop divisions stationed in the northeast of the country near the Kosovo border.

Vasho referred to the recent shooting of 8 unarmed Albanians by Serb guards to whom they had surrendered after crossing the border illegally. Albania lodged complaints with the UN following the incidents.

"In the face of danger, the Albanian Army will undertake special preparations and remain on permanent alert to respond to any provocation," Vasho told Army commandants.

Cooperation, Support Discussed

AU1105192893 Tirana Radio Tirana Network in Albanian 1730 GMT 11 May 93

[Text] A NATO military delegation led by Brigadier General Amadeo Turkio arrived in our country yesterday for an official visit. This is a multi-national team made up of experts in various military fields.

The Defense Ministry spokesman reports that Defense Minister Safet Zhulali received the NATO military delegation this morning. Lieutenant General Ilia Vasho, chief of the Army General Staff, and other high-ranking officers attended the reception. Zhulali said that this visit is a continuation of other visits made by high-ranking NATO personalities. At the present moment, this visit has great political and military significance and is a powerful boost for Albania. Meanwhile, it shows that cooperation and ties with the Atlantic alliance and its member states are progressing. Zhulali then stressed that cooperation with NATO is of importance not only in the military sphere of security and defense, but we consider it a great opportunity for the further consolidation of democracy in our country. After stressing Albania's modest contribution to cooperation with NATO in establishing stability in the region, he discussed the problems of the situation.

General Turkio, the NATO delegation leader, said that in just a few months everything has started to move. Bilateral relations between Albania and NATO and its member states have made good progress, he said. The multinational team of experts, high-ranking officers, and specialists in various military fields will discuss important defense problems together with your officers. We have come here to support you. Concerning the problems of Bosnia and Kosova, you should rest assured that the top NATO authorities are concerned about how to resolve them.

The NATO military delegation opened discussions at the Army General Staff Headquarters today with high-ranking officers of our Army. They discussed problems of defense policy, military doctrine, and questions of restructuring the Defense Ministry and the General Staff.

U.S. Team Arrives To Inspect Army Formation

AU1105192493 Sofia BTA in English 1834 GMT 11 May 93

[Text] Sofia, May 11 (BTA)—A Spanish team, including a French, an Italian and a Luxembourg inspector, today began an inspection of the reduction of tank equipment at the military repair works in Turgovishte. A special warplane today flew to Sofia an inspection team from the United States. It will inspect a Bulgarian Army formation. The team includes two inspectors from the Greek Armed Forces, said the Defence Ministry Press Centre.

Zhelev Replaces Army Ground Forces Commander

AU1105155593 Sofia BTA in English 1525 GMT 11 May 93

[Text] Sofia, May 11 (BTA)—Today Bulgarian President Zhelyu Zhelev signed a decree dismissing General Lyutskan Lyutskanov as commander of the Ground Forces. He is replaced by General Tsvetan Totomirov, so far commander of the 3rd Army.

President Zhelev received and talked with General Lyutskanov, the spokesman for the president, Valentin Stoyanov, announced. It was emphasized at the meeting that any differences in the supreme command of the Armed Forces are inconsistent with the depoliticization and stability of the Bulgarian Army. "General Lyutskanov asked to be relieved from his position to the interest of the Bulgarian Army," the spokesman's announcement goes.

About a month ago the cabinet demanded General Lyutskanov's resignation. According to Minister of Defence Valentin Stoyanov, the proposal for General Lyutskanov's resignation was made by him and General Staff Chief Lyuben Petrov and was approved unanimously by the Council of Ministers. The papers wrote about a sharp conflict between General Lyutskanov and General Lyuben Petrov resulting from their differences over the Armed Forces bill.

Berov Discusses Privatization With Czech, Slovak Diplomats

AU1105193893 Sofia BTA in English 1901 GMT 11 May 93

["Today"—BTA lead]

[Excerpts] Sofia, May 11 (BTA)—Prime Minister Lyuben Berov received a delegation of the Israel-Bulgaria society led by the chairman of the society, Prof. Josif Rosenfeld. The delegation is visiting Bulgaria to attend the ceremonies marking the 50th anniversary of the deliverance of Bulgarian Jews. Prime Minister Berov familiarized the guests with the progress of the Bulgarian economic reform, stressing that the operating legislation opens good opportunities for Israeli investments in Bulgaria. Prof. Rosenfeld said that the establishment of a Bulgarian-Israeli commercial chamber would provide conditions for the expansion of economic relations between the two countries and would activate Israeli business in Bulgaria.

Prime Minister Lyuben Berov received separately Mr. Josef Dravecki [name as received], charge d'affaires of the Slovakia, and Mr. Peter Pospisil [name as received], charge d'affaires of the Czech Republic. Mr. Berov showed special interest in the privatization implemented in the two republics. The diplomats informed him in detail about the so-called "voucher system" of privatization, listing its advantages and weak points.

The memorandum of the Bulgarian Government on UN Security Council Resolution 820 was circulated as an official document of the United Nations in New York. Handing over the accompanying letters to the chairmen of the UN Security Council and the Security Council Sanctions Committee, Bulgaria's permanent representative in the United Nations, Slavi Pashovski, laid stress on the serious economic problems Bulgaria faces in result of strictly observing resolution 820. Mr. Pashovski expressed the wish of the Bulgarian Government that the memorandum be considered by the working group of the sanctions committee which is in charge of matters related to the application of Article 50 of the UN Charter.

A press release of the Ministry of Defence informs that a Bulgarian group from the Disarmament Department of the General Staff is inspecting the reduction of armoured equipment on Turkish territory.

Bulgarian Defence Minister Valentin Aleksandrov received the ambassador of Spain, Jorge Fuentes Monzonis Villallonga. Mr. Monzonis Villallonga expressed his country's desire to promote cooperation with Bulgaria in the military sphere. The sides considered the relations between Bulgaria and NATO, pointing out that being a country in a complicated geopolitical situation, Bulgaria should be given serious support by the North Atlantic Alliance.

The Ministry of Trade tried to auction two economic units in Pleven and Cherven Bryag (northern Bulgaria) for the second time today. However, no buyers appeared.

The National Council for Tripartite Cooperation (NCTC), comprising representatives of the government, trade unions and employers, began the debate on the 1993 privatization programme. The NCTC decided that the National Statistical Institute should make a study of the labour force and employment by households in the country. [passage omitted]

Ruse is hosting the 35th session of the Danube Commission. Representatives of the river lines of Germany, Austria, Hungary, and Yugoslavia arrived in Ruse to attend the meeting of the commission's Committee of Navigation. Representatives of Romania and Ukraine are also expected. There will be meetings until the end of the week.

Karabashev Leaves for Brussels Talks on Investment

AU1105192993 Sofia BTA in English 1830 GMT 11 May 93

[Text] Sofia, May 11 (BTA)—A Bulgarian delegation led by Deputy Prime Minister Valentin Karabashev will attend a session of a consultative group organized by the European Community and the World Bank in Brussels. The group includes representatives of the EC, the International Monetary Fund, the European Bank for Reconstruction and Development, the World Bank, and the G-24 countries. They will discuss opportunities for investment in Bulgaria in specific projects developed by this country.

The discussions will proceed from the government's investment programme. "We will present the 49 priority projects in economic infrastructure, power engineering, telecommunications, culture and education, and an extended version, listing over 100 units, for which investment will be sought as well, if possible," Mr. Karabashev told the press today before the delegation left for Brussels. "Characteristically, the investment projects are to be financed by Bulgarian resources, mainly from the public purse, which should be complemented by foreign funds," he added. The deputy prime minister went on to say that in Brussels the Bulgarian delegation will familiarize the consultative group with the current economic situation in Bulgaria, with the progress of the economic reform and with the terms for investment in Bulgaria in general.

"We would like to count on extra co-investment from abroad to the amount of some 900 million dollars, but it remains to be seen what we will get," Mr. Karabashev said.

Minister Views Budget Debate, Expects New Parliament

AU1005115693 Sofia OTECHESTVEN VESTNIK in Bulgarian 5 May 93 pp 1, 3

[Interview with Finance Minister Stoyan Aleksandrov by unidentified reporter; place and date not given: "Budget Moves Along Razor Edge"]

[Text] [OTECHESTVEN VESTNIK] Mr. Aleksandrov, do you think that the remarks, voiced during the budget debate, were justified?

[Aleksandrov] The attacks in connection with the macroframework were an absolute farce. There is a difference between the budget's macroframework and what could really happen. You know what the budget's macroframework was last year, and what happened afterward. The situation is also uncertain because no one could forecast what could happen in the parliament, or along our western border. The budget has certain amortization devices, which could absorb certain deviations. When those deviations become too great, the budget could be updated.

[OTECHESTVEN VESTNIK] Will the budget be updated within three to four months?

[Aleksandrov] No, unless something unforeseeable happens with the Serbs.

[OTECHESTVEN VESTNIK] And if the embargo becomes stricter?

[Aleksandrov] Yes, this is also a possibility, in addition to more serious developments—may God preserve us from this.

[OTECHESTVEN VESTNIK] Nevertheless, do you not think that many of the remarks were justified?

[Aleksandrov] Of course, there were rational elements in many statements, but most of them, in principle, were good wishes that could be fulfilled under other conditions. We must not be angry because of the critical remarks. Undoubtedly, the budget could be improved. There is another important thing, that many of the deputies noted. The most important thing is not the money, but how do you spend it. Therefore, it is very important to adopt the Bill on the Tax Administration in order to strengthen the financial discipline.

[OTECHESTVEN VESTNIK] You said that the debate on the budget was a farce. How was this expressed and what goals did this phenomenon pursue?

[Aleksandrov] Well, look at the lines pursued by the parliamentary factions. Some of them totally reject everything, others accept almost everything with light criticism. With the first group everything follows a previously prepared script, namely, what problems should be evoked and what line should be followed. This applies to the Union of Democratic Forces [SDS], especially to a part of its parliamentary faction. Ivan Kostov conducted their performance all the time. Naturally, he will summarize the SDS position on the budget.

[OTECHESTVEN VESTNIK] Do you also reject the statements of the Bulgarian Socialist Party [BSP] deputies?

[Aleksandrov] Of course I do not accept some of their statements. For example, Yuri Borisov's statement was not a correct one. Naturally, there is a place for criticism. Of course, the investments in science are most important. However, the figures he cites are unrealistic, and the comparisons he makes, with other states, are incorrect.

[OTECHESTVEN VESTNIK] How will the debate develop?

[Aleksandrov] Today, they will talk for about two hours and make some cosmetic changes between the two readings. The important thing is that they will all be satisfied. Some will satisfy their whims, others will teach the government a lesson.

[OTECHESTVEN VESTNIK] When will the budget be finally adopted?

[Aleksandrov] Not before the end of the month.

[OTECHESTVEN VESTNIK] Does it mean that, in such a case, the negotiations with the international financing institutes and the bank-creditors will fail?

[Aleksandrov] Well, yes. We could not expect a one-year agreement with this parliament.

[OTECHESTVEN VESTNIK] What about the bank-creditors?

[Aleksandrov] In principle—the same thing. Who would be crazy enough to go and talk with the international institutes? We shall wait until September, until there is a new parliament and a new government.

Havel Calls for Reevaluation of Liberation

AU1105132293 Prague CTK in English 1842 GMT 8 May 93

[Text] Prague May 8 (CTK)—Czech President Vaclav Havel said on Czech television tonight that the need to learn and say the whole truth about World War Two and its impact on us is all the more important since this truth has been for such a long time distorted and falsified in our country.

Speaking on the Czech Republic's national day marking the 48th anniversary of the former Czechoslovakia's liberation from German occupation in World War Two, Havel noted that until recently some circumstances of Czechoslovakia's liberation were being kept secret from the public and especially from young people. It is therefore necessary to declare clearly and in public that although the Stalinist Soviet Union did liberate a greater part of our country at the cost of immense, and often even unnecessary, losses, its deeds were based on the evil intention to replace one subjection by another, Havel said.

This may be documented by numerous facts, including the pressure on the American Army not to try to liberate Prague, he added.

Part of the responsibility for all this rests with the Western allies whose duty was to discern Stalin's plans and oppose them more strongly not only in the interest of the countries later enslaved but also in a general, and thus also their own interest, Havel said.

He noted that the long era of the cold war, a bipolar world and senseless armament had its roots there, at the end of World War Two, when the just admiration of the heroism and sacrifice of the Soviet peoples made it impossible for many to realize Stalin's imperial aims.

Thus, the phenomenon of yielding to evil, the same which brought Hitler to uncontrolled power, occurred again, Havel said.

He emphasized that the drive of communism in our country was not prepared merely by communists, but was facilitated by the democratic part of our post-war political leadership and its policy of concessions.

Until we come to understand the destructiveness of every phenomenon resembling the 1938 Munich agreement, no matter what noble motives may be behind it, we will not have a firm and sound basis for our future political behavior, Havel stressed.

He said that Nazism is being condemned for its atrocities and not for its originating in Germany. If we really seek condemnation of atrocities and not peoples, then we must admit that some Czechs were also capable of similar things after the war, and that tolerating and excusing them created a social atmosphere favorable for those who later committed all the crimes of communism, Havel said.

He emphasized that many of those who actively opposed Nazism both on foreign fronts and in the domestic resistance movement, many of those who were dragged to Nazi concentration camps, particularly Jews and non-communists, have had to wait for the respect due to them for a very long time and many of them did not live long enough to see it.

I feel that this was one of the most immoral deeds of the former regime, Havel said, adding that this year's anniversary should be used to apologize to these people for all the wrong with which our country repaid their merits and their suffering.

There is yet one more thing to realize today and that is the goal of the resistance fighters for which they were willing to sacrifice so much, Havel said.

It certainly was something more than merely a satisfied and relatively wealthy life not caring about anything that does not directly concern it.... These people could do what they did only because they believed in certain higher values which are worth sacrifice, that they believed in democracy, humanity and freedom, that they respected democratic institutions and law, that they loved their country and their neighbors, and were able to place the interest of their homeland higher than their personal interests, Havel said.

He noted that at present, when so much attention is being devoted to the necessary transformation of ownership relations in the country and we thus easily fall into certain materialism, it may be useful to remind ourselves that there is no material development of society without freedom and that human life cannot be complete if all human concern is restricted merely to care for property, Havel said.

He emphasized that it is indifference to the fate of others that opens up scope for evil, and added that the message drawn from the fates of our heroes is an appeal to us not to be indifferent.

Zieleniec Cited on UNPROFOR Participation

LD1105124993 Prague Radiozurnal Radio Network in Czech 1000 GMT 11 May 93

[Text] Foreign Minister Josef Zieleniec said today that the outcome of our intensive relations with the EC is a shift in the views of key European institutions. Petr Spiegler phoned in this report:

[Speigler] The latest discussion in the EC Council of Ministers proves that European representatives, according to the Czech foreign minister, are becoming aware of the fact that the gradual integration of postcommunist countries must be the aim of both parts of Europe and that concrete deeds are more helpful than empty words. One of the key issues of current international policy is the Yugoslav problem. According to Minister Zieleniec, the decisive turn occurred when officials in Belgrade accepted the Vance-Owen peace plan. The

essential thing will be, however, whether this plan can be implemented. The time is approaching when the international community, and namely the United Nations, will be able to fully use its potential, Josef Zieleniec said. He also pointed out that the matter at stake was not only a cease-fire between the fighting parties but mainly a permanent solution. This places our participation in UNPROFOR in a new light. The foreign minister said he will propose the expansion of the Czech unit to the level of a battalion of 1,000 soldiers.

Although absorbed in the past, we are beginning to work on the future. That is how Josef Zieleniec commented on our relations with Slovakia and added that besides the talks on the division of property both sides are managing to collect enough good will on both sides for negotiations on our future cooperation, be it on the issue of border crossings or the work of the customs union.

Letter Warns of Plan To Assassinate Havel

AU1105121493 Prague MLADA FRONTA DNES in Czech 7 May 93 pp 1, 2

["r"-signed report: "The Authentic Text of the Anonymous Letter"]

[Text] Prague—We provide the full and authentic test of the anonymous letter that MLADA FRONTA DNES handed over to Minister Ruml (unedited text):

You know well that the so-called Yugoslav mafia has been present in Prague for a longer time.

After President Havel's recent speech in the United States, and his statement on Yugoslavia, extremist Montenegrin circles (who want to separate from Serbia) are preparing the assassination of the president. They will use the situation that will arise afterwards for their political goals.

The assassination is supposed to be organized by the said gang.

All of them have been sentenced to jail terms several times: murder, shooting, burglary, etc. Interpol, too, is searching for them.

They always carry weapons. "Vaso," the chief, is driving a stolen car—an Audi 80, with a Belgrade license plate—all over Prague. He is responsible, among other things, for a murder in Germany.

"Krule," a drug user, has a Porsche, license plate PV 177 - [punctuation as published]. Before, he had the same license plate on his Chrysler Voyager. "Kopro," always armed, has committed at least one murder in Yugoslavia. "Zico" committed a murder in Hungary. "Draza" was recently released from prison (illegal possession of arms). On 1 May, around 2200, "Mam" shot at people in front of the Grill bar (behind the Flora hotel). "Micko" stands behind all of them, the man in the shadows. All carry fake documents. Last year, they badly beat up a well-known actor in the Vltava bar (Kajzr).

They hang around the "Zlata Ulicka" [Golden Lane] restaurant, the Billiard Club in Radhosstska [as published] Street, the Cafe Margarita, CKM [Youth Travel Agency] in Zitna Street, and Club Radhost FX [expansion unknown].

I beg you to do all you can in the interests of all of us, before it is too late.

Little Evidence Exists

AU1105124393 Prague CTK in English 1619 GMT 7 May 93

[Text] Prague, May 7 (CTK)—Although police now say they have little evidence to tie five Yugoslavs arrested Wednesday to a threat on Czech President Vaclav Havel's life, Interior Ministry officials stated repeatedly at a press conference today that the five have committed very serious crimes in the Czech Republic.

An anonymous letter warning of an attempt on Havel's life was received Tuesday by the presidential office and the two most widely-read Czech dailies, MLADA FRONTA DNES and BLESK. The police now believe that the letter, which was written in broken Czech, may have sent by members of one Yugoslav gang to exact revenge on another. The possibility of an actual assassination attempt, however, has not been ruled out.

Havel declined last night to comment on the alleged attempt on his life, and his spokesman, Ladislav Spacek, told CTK that Havel was surprised by the information, but not worried, as he had complete faith in his protection.

While no criminal proceedings have been launched against the five Yugoslavs, Prague police official Vaclav Kutan said that the interior ministry had decided to expel them because they had already been denied permission to remain in the Czech Republic.

First Quarter Economy Statistics Reported

AU1105132493 Prague CTK in English 1912 GMT 7 May 93

[Text] Prague, May 7 (CTK)—The economic development of the Czech Republic in the first quarter of the year was characterized by a 4.5 percent decrease in the gross national product since the first quarter last year, a one-time jump in prices resulting from the new tax system, and a gradual stabilization of prices.

According to a government report on the state budget for the first quarter, the economy also experienced stable unemployment, a rise in real wages, and a drop in trade with Slovakia followed by its gradual stabilization.

In comparison with the first quarter of 1992, according to the report, industrial production dropped 7.8 percent, while construction dropped 7.2 percent despite a revival last year.

Sales by small businesses decreased only 1.6 percent. Foreign demand for Czech goods also decreased, primarily due to a 46 percent drop in exports to Slovakia, but also because of recession and protectionist measures in developed economies.

The introduction of the tax system January 1 caused an 8.5 percent hike in consumer prices in January, but by the end of March prices averaged only 10.6 percent higher than at the beginning of the year.

Prices for groceries rose 8.1 percent during the quarter, for non-food items 9.3 percent, for public catering 17.2 percent, and for services 15.2 percent.

The process of economic transformation did not have a large impact on unemployment, as had been expected. At the end of March, 152,000 people were registered at employment offices, of which 71,000 were drawing unemployment benefits.

There were an average of two competitors for each vacant job position in the country. The lowest unemployment was registered in Prague, where the number of job vacancies actually outstripped the number of applicants.

The split of the Czechoslovak currency February 8 led to an increase in foreign currency reserves from $3.6 to 4 billion by March 31.

Total imports in the first quarter increased 21 percent over the same period last year, while exports dropped 3.1 percent. Imports from countries with advanced market economies rose 39.9 percent, while exports to those countries declined 2.6 percent. In contrast, exports to European countries with economies undergoing transformation fell 38.9 percent, while imports from those countries rose only 3.7 percent.

March trade with Slovakia stood at only about 70 percent of its level one year earlier.

The state budget began to show a surplus after February 11, and at the end of March 86.5 billion korunas (Kc) in revenues stood against only Kc76 billion in expenditures. This Kc10.5 billion surplus, however, is slightly distorted by the fact that certain payments applied to March expenditures were only made April 1. The actual surplus is probably closer to Kc7.5 billion.

No Exact Data on Czech-Slovak Trade

AU1205123493 Prague CTK in English 1838 GMT 10 May 93

[Text] Prague, May 10 (CTK)—The Customs Union Council does not know exactly how much trade between the Czech and Slovak Republics has declined since the split of Czechoslovakia, the Council Chairman Vladimir Dlouhy, said today.

Various institutions come with different estimates. My estimates show a decline of more than 40 percent. The Czech National Bank speaks about 30 percent, Dlouhy, Czech industry and trade minister, said.

He added that the council had decided to set up a working group to provide regularly information on trade for the council members.

[Prague MLADA FRONTA DNES in Czech on page 2, in a similar report under the title "Drop in Trade Frightens Ministers" adds: "Slovak Economy Minister Jaroslav Kubecka pointed out discrepancies in statistics. The Czech side reports first quarter surplus of 1.4 billion korunas, and the Slovak side reports for the same period a surplus of 0.3 billion korunas in its favor. 'It is not intentional, but we are doing something wrong,' Kubecka said."]

Ministry Reports Pollution Levels Improving

AU1105132893 Prague CTK in English 1345 GMT 8 May 93

[Text] Prague May 8 (CTK)—The emissions of sulphur dioxide, nitrogen oxides and carbon oxide have dropped in the Czech Republic in the past two years by 11, 20, and six percent, respectively, a report by the Czech Environment Ministry says.

Deputy Environment Minister Josef Musil told CTK today that the report, which is to be discussed by the government by the end of May, will serve as one of the bases for working out a draft Czech environmental policy to be completed by summer.

He said the report refuted some of the widely spread environmental superstitions, such as that about the ever worsening environmental situation in the Czech Republic.

It is not true, the report shows that the negative trends in air pollution have been changed, Musil said. He added that the data on decreasing air pollution concern not only the mean values in the Czech Republic but also the worst hit north Bohemian region.

Iranian-Slovak Economic Commission To Be Formed

LD1105152293 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1300 GMT 11 May 93

[Text] The most important outcome of the two-day visit to Bratislava by Mahmud Va'ezi, Iran's deputy minister of foreign affairs, is an agreement on the formation of a mixed Iranian-Slovak commission for economic and trade cooperation. At a meeting with Economy Minister Jaroslav Kubecka, the Iranian visitor showed interest in the reconstruction of industrial enterprises in this country. They also discussed the possibilities for deliveries of Iranian oil to Slovakia.

Meciar: Ethnic Discrimination Will Not Be Sanctioned

AU1105132093 Bratislava REPUBLIKA in Slovak 10 May 93 p 3

[TA SR report: "Starting Points on the Horizon"]

[Text] Nove Zamky—Following a visit to Elektrosvit in Nove Zamky and a discussion with its management, Slovak Prime Minister Vladimir Meciar took part in a meeting with the town's citizens at which he briefed them on the current economic and social situation in Slovakia and on the division of federal property.

The citizens' questions concerned the population's standard of living, privatization, the health care system, state administration, and education in ethnically mixed communities. Regarding observing the ethnic minorities' rights, Meciar said that the European Community Commission, which recently visited Slovakia's ethnically mixed regions, assessed the situation positively. At the same time, he emphasized that the government will not sanction any restrictions or discrimination for ethnic reasons. The same would apply if Slovaks' rights were to be curtailed by members of the Hungarian minority. Regarding the rising incidences of corruption and the increasing influence of so-called black money, Vladimir Meciar assured citizens that a change to the criminal code is under preparation and that the financial policy aimed at prosecuting tax evasion and other financial crimes against the state has already begun to work.

Dolgos Dissociates Himself From Cabinet Policy

AU1205120493 Prague CTK in English 1006 GMT 7 May 93

[Text] Bratislava, May 7 (CTK)—The Slovak Privatization Ministry has decided not to submit privatization projects to the government because no project has the chance getting through the cabinet, Privatization Minister Lubomir Dolgos told Slovak entrepreneurs on Thursday [6 May].

He said that as of now, all projects will be put up exclusively for public competition and will on principle bypass the government. Once approved, the project will be carried out by the Slovak National Property Fund, Dolgos added.

He said that the privatization process in Slovakia had been hindered by the failure to bring into harmony all parties concerned: the enterprise to be privatized, the ministry which had established it, the Privatization Ministry, the Government, the National Property Fund and the Land Office.

Dolgos is a member of the ruling Movement for a Democratic Slovakia (HZDS).

[Prague LIDOVE NOVINY in Czech on 10 May on page 2 carries a 150-word CTK report on Dolgos' 6 May speech, which quotes the minister as having told Slovak businessmen that "the system of tax relief was approved behind his back, upon Prime Minister Meciar's pressure."]

Defense Minister Receives Dutch Military Delegation

AU1205123393 Bratislava SLOVENSKY DENNIK in Slovak 11 May 93 p 2

[TA SR report in the "From the Press Agencies" column]

[Text] Defense Minister Imrich Andrejcak yesterday received a 19-member military delegation from the Kingdom of the Netherlands. The delegation is led by General F.L. Cayaux. The Dutch guests are especially interested in our attitude toward NATO, the Visegrad Group's goals, and possible cooperation between the two countries' armies.

Spokesman Explains Kovac's Absence at Celebration

AU1105131693 Prague CTK in English 1458 GMT 9 May 93

[Text] Bratislava, May 9 (CTK)—Many anniversaries are being reevaluated in Slovakia and a new stand is being taken on them, Slovak Presidential Spokesman Anton Bodis said today when explaining why Slovak President Michal Kovac had not attended Saturday's commemoration of the 48th anniversary of the end of World War Two.

Bodis said that celebration of May 8 remains to be an open issue.

This day is perceived in a different way in Bohemia and in Slovakia. Besides seeing it as the end of World War Two, the Czechs also understand this anniversary as the day of the liberation of Bohemia and Prague, Bodis said.

Kovac's absence, according to Bodis, was not intentional. The president cannot attend all events and just as any other man has the right and need to take a rest, Bodis said.

Meciar Allegedly Did Not Halt Tank Sale to Asia

AU1005134293 Bratislava NARODNA OBRODA in Slovak 7 May 93 p 21

[P. Juracka, V. Kiss article: "How It Really Was With the Tanks; Does the Prime Minister Know the Answer?"—reprinted from Bratislava SME in Slovak No. 93/1993]

[Text] A few weeks ago the daily SME reported on the abortive sale of 300 T-72 tanks to the countries [as published] of southern Asia. This arms deal was first discussed in public by Prime Minister Vladimir Meciar in connection with the dismissal of Minister of Foreign Affairs Milan Knazko. The prime minister stated then, more than once, that he had halted this deal because "it would have cast doubt on the state and the government as a whole."

The only person who could have concluded this $391 million deal was Engineer V. Dubovicky, director of ZTS [Heavy Engineering Works] Turcianske Strojarne Martin. On the day of his dismissal (15 April 1993) he told us that he had not been pressured by anyone not to go ahead with the sale of the tanks. Quite the contrary, we have managed to ascertain that talks on the export of arms to a country in southern Asia continue. The licensing commission granted its preliminary agreement on 14 March. According to information available to us, Deputy Prime Minister Roman Kovac participated in the preparation of these talks. Asked whether talks on the sale of military hardware to a country in southern Asia continued, Roman Kovac told us: "I have received an offer from this country, which is interested in purchasing various machinery and equipment. The business partners did not specify their precise object of interest, however. The details have probably been agreed by their representatives and our manufacturers." At the same time, the deputy prime minister noted that he did not know anything about "how this deal had come into being or who had halted it."

As not even Deputy Prime Minister Roman Kovac had been informed about Vladimir Meciar's steps to halt the deal, there is nothing we can do but wait for the prime minister's reply to the interpellation of National Council of the Slovak Republic deputy Milan Knazko.

Meciar Expects Improvement in Slovak Economy Next Year

AU1105103693 Prague CTK in English 1130 GMT 7 May 93

[Text] Bratislava, May 7 (CTK)—The decline of the Slovak economy will continue this year to reach the bottom after which definite signs of stabilization and gradual enlivenment will appear, Slovak Prime Minister Vladimir Meciar told a meeting of Slovak businessmen Thursday.

Meciar said the gross national product (GNP) was likely to decrease by 30 to 40 percent this year compared with 1989. He said it would take Slovakia six to eight years to reach last year's level provided a 6-percent GNP's annual growth was ensured.

Meciar voiced the view that systemic changes in the health care area would lead to reducing the number of doctors and to the closure of many medical institutions, but at the same would result in the improvement of medical treatment.

Regarding the educational system Meciar said an unwillingness to adopt it to western tendencies prevails in this sphere. He said if Slovakia accepted Western standards under which every teacher teaches twice as many students as the current figure, the government would have no need to earmark further money in the education.

Meciar stressed that he understood bankruptcies not as a mechanism of liquidation, but on the contrary of improvement.

Threat To Use Semtex To Speed Privatization

AU1105112393 Bratislava PRAVDA in Slovak 10 May 93 p 2

["on"-signed report: "Property, Anonymous Threats, Semtex"]

[Excerpt] Duchonka—[passage omitted] The TA SR reports that the police found eight kilograms of Semtex and eight detonators at a parking lot on the motorway near Trnava on Tuesday, 4 May. The occupants of the car were three Slovak nationals—a taxi driver, a restaurant employee, and a person without a contract of employment—all of whom have been detained. In this context [Slovak Interior] Minister Tuchyna announced that he had received a letter whose anonymous author threatens to use this explosive as a means of pressure so that Slovak privatization funds [being withheld by the Czech Government] are distributed.

Government To Punish Violators of UN Sanctions

LD1105153193 Budapest MTI in English 1456 GMT 11 May 93

[Text] Budapest, May 11 (MTI)—Hungary will guarantee the implementation of United Nations sanctions against Serbia and Montenegro by law, Foreign Affairs Spokesman Janos Herman announced at a press briefing on Tuesday.

The Hungarian Cabinet plans to submit to parliament a bill on implementing the UN sanctions, Herman reported.

Currently, since implementing the tightened sanctions in Hungary is regulated by a government decree, violators of the Security Council resolutions can go unpunished.

Herman recalled a move by the Hungarian Cabinet, freezing all Serbian and Montenegrin organization finances in Hungarian banks as of May 7. Individual Yugoslavs may still draw money from their currency accounts in Hungary if they apply personally, and may get licences to take money up to USD 1,000 out of Hungary.

The government decree was not to paralyse part Yugoslav-owned joint ventures - only to restrict access and owners' rights of Serb and Montenegrin owners. Fully Yugoslav-owned companies in Hungary, however, had to suspend operation immediately.

By the decree, authorities may halt sanctions-busting freight vehicles, but cargo confiscation needs a law passed by parliament.

Herman reported that the UN Security Council Sanctions Committee approved continued operation of road border crossings at Tompa and Roszke and a railway crossing at Kelebia on Hungary's border with Serbia. Further talks will be held about setting up an effective system to monitor navigation along the Danube. The issue will be discussed at talks during a visit to Hungary by Italian Ambassador Napolitano, EC and CSCE sanctions coordinator.

Ministry Spokesman on Applying UN Sanctions

LD1105131993 Budapest Kossuth Radio Network in Hungarian 1000 GMT 11 May 93

[Text] At the press briefing by the Hungarian foreign affairs spokesman today, the embargo measures against Yugoslavia were mentioned. Istvan Kulcsar reports;

[Kulcsar] The spokesman first reported on the stricter Security Council sanctions against rump Yugoslavia and their implementation in Hungary. On the basis of the authorization provided by resolution 820, the sanction committee of the Security Council approved the road border crossing at Roeszke and Tompa and the railway crossing at Kelebia remaining open. Taking the interests of the Hungarian hauliers and manufacturing enterprises using the Danube waterway into consideration, the Foreign Ministry will soon coordinate methods of effectively monitoring shipping, which is also covered by the above Security Council resolution, Janos Herman said.

He also announced that Foreign Minister Geza Jeszenszky will pay an official visit to Belgium between 17 and 19 May at the invitation of the Belgian foreign minister. He will meet there with NATO leaders, including Manfred Woerner. One of the reporters asked the spokesman whether the plans presently under preparation for Hungary to become an associate member of NATO will be discussed at the forthcoming meeting of the Hungarian foreign minister and the NATO general secretary. The spokesman did not exclude this possibility.

Antall Comments on Basic Treaty With Ukraine

LD1105221193 Budapest Kossuth Radio Network in Hungarian 1640 GMT 11 May 93

[Speech by Prime Minister Jozsef Antall at National Assembly debate on draft resolution to ratify Hungarian-Ukrainian basic treaty—live]

[Excerpts] Mr. Speaker, esteemed House: Those who spoke before me said a great deal, I could say they stated most of the arguments, which I might have had to say. However, I cannot allow myself to refrain from speaking now, when the draft is put to a vote. Since according to the constitution I am burdened by government responsibility, since the prime minister personally is burdened by special responsibility, and since I am the signatory to the treaty, I cannot allow myself to refrain from speaking now, before voting.

I will not speak at length, but I wish to point out: I accept, with full responsibility, all consequences of this treaty, and I undertake that I signed the treaty in the interest of safeguarding Hungary's foreign political position and in the interest of the Hungarians living beyond the border. [passage omitted]

Now it is not only the treaty that I would like to comment on, when I refer to what has been said—and I quote it irrespective of the treaty—Ferenc Deak's famous sentence, which became a well-known phrase, I quote: We can regain everything except what we ourselves resigned. [passage omitted]

We do support, and President Kravchuk himself understood and accepted, the concept of individual autonomy, cultural autonomy, and the efforts for local self-government. [passage omitted]

When I talk about this issue, it has to be said very clearly that this treaty has been concluded with Ukraine, and not with some other country. This fact also had a part in it. With Ukraine, in relation to the border issue, it re-establishes the earlier, 1938 Czechoslovak-Hungarian border between the Soviet Union and Hungary; you can remember the Paris peace treaty of 1947, which is based on the treaty of Trianon. [passage omitted] And since in

the Paris peace treaty of 1947 this border issue is not mentioned, we considered it acceptable that in the case of Ukraine this particular text, this German formula be adopted, because without it, we would not have been able to sign the Ukrainian-Hungarian treaty.

This treaty can be seen as a precedent only in the aspect that the Hungarian minority statement is incorporated in it, and what has been said in relation to the minority issue has made it the government's constitutional duty, according to the present enforcable Hungarian constitution, to take the interests of the Hungarians over the borders into consideration [sentence as heard]. I would also like to say that it is not a precedent in the aspect that any neighboring country could automatically call us to account for it, in case it wished to conclude this kind of basic treaty with us. We will not adopt this kind of wording in the treaties with countries with whom, or with their predecessors, our borders have been precisely established. This is what I said in my letter to President Kravchuk, and at the same time the protocol of the talks also stipulates that this particular exception was made only for Ukraine; and I also said that we find it offensive that other countries, after our signing peace treaties, irrespective of the pain it caused us, after signing two peace treaties, after several international agreements, we are not going to make any additional reassuring statements and reassuring agreements [sentence as heard]. I explained the same topic in detail to the delegation of the Slovak parliament in this house.

This is why the Ukrainian-Hungarian treaty, I state it here and now, does not represent a precedent in this respect, as regards any neighbouring country; it is not obligatory, and it does not impose an obligation on us to apply the same formula to other countries.

The other thing I would like to say is that the treaty does not run counter to the spirit or wording of the Helsinki act, or other international agreements. The fact that it was adopted in relation to the country's borders goes without saying. And the fact that through negotiations, two countries may come to an agreement on the issues of new borders at any time is also evident. Any country can come to an agreement through negotiations. [passage omitted]

In conclusion, I would like to say that I trust that the Hungarian National Assembly will ratify this basic treaty by a big majority. I trust that the Hungarian public, within the country and over the borders, will understand it and agree to it, even if with pain and difficulty, because what we have done is in the interests of the Hungarians, the security and protection of our country, and is in the interests of the Hungarians over the borders. And this is the path we will continue to take. [passage omitted]

Parliament Ratifies Treaty

LD1105211193 Budapest MTI in English 2021 GMT 11 May 93

[Text] Budapest, May 11 (MTI)—As reported, the Hungarian-Ukrainian basic agreement signed on good-neighbourly cooperation in Kiev on December 6, 1991, was ratified by an overwhelming majority of member-by-member open votes at the Tuesday session of Hungarian Parliament this evening. The vote was 223 in favour, 39 against, with 17 abstentions.

The discussion in second reading of the draft ratification resolution during the day was invariably characterized by major clashes of opinions.

Jozsef Torgyan, president of the Independent Smallholders' Party, proposed the basic treaty be dropped from the agenda as long as Subcarpathian Hungarians are not ensured autonomy.

Several MPs of the Hungarian Democratic Forum (HDF) also took a stand against ratification, while other HDF deputies and representatives of the Christian Democratic People's Party and the Alliance of Free Democrats argued in favour of passing the agreement.

* * *

Differences focused on Clause 2 of the agreement, which declares that "the sides observe one another's territorial integrity and have no territorial claims, nor will they have in the future, against one another." opinions were also divided as to the prospects of guaranteeing the rights of ethnic Hungarians in Subcarpathia, although the Hungarian-Ukrainian basic treaty contains a unique minority protection article.

* * *

Answering contributions, Foreign Minister Geza Jeszenszky noted that Hungary had no valid peace treaty with Ukraine, since Russia is the sole legal successor to the Soviet Union. This was one reason for including the clause on territories in the basic treaty.

Speaking before the voting, Prime Minister Jozsef Antall stated he accepted full responsibility for all consequences arising from the treaty. He said Hungary was the first country to open an embassy in Ukraine, and accepted the reality to be the neighbour of independent Ukraine, a nuclear power of 55 million people. It has created a special relationship with Russia and the Baltic states.

"Hungary has taken many steps in favour of Subcarpathian Hungarians so far, and is to adopt further ones. This is also why Hungarians there are in a relatively better position than their ethnic kins in other countries," Antall said.

The prime minister thought that as Ukrainian nationalism mainly threatened the Hungarians, Hungary had to find the pragmatic Ukrainian politicians following the

European course of politics, such as President Leonid Kravchuk, who accepted the Hungarian autonomy endeavours.

"That the agreement was concluded with Ukraine and not with another country was due to the fact that Ukraine was not mentioned in the 1947 peace treaty in relation to borders," Antall said. He explained by this Hungary's accepting Clause 2 of the treaty, the so-called German formula.

Antall also pointed out that the Hungarian-Ukrainian agreement should not serve as a precedent for any neighbouring country to demand Hungary to include a similar formula in a treaty.

He said that the document contradicted neither the Helsinki nor other international agreements, and served Hungary's security and the interests of cross-border Hungarians.

Hungary's aim is for its minorities to stay at their homeland and stand their ground as historic minorities, supported by the parent country, the prime minister said.

Finance Minister Cited on Talks With IMF

LD1005153693 Budapest Kossuth Radio Network in Hungarian 1000 GMT 10 May 93

[Text] The opinion of IMF experts has changed regarding the Hungarian economy, Finance Minister Ivan Szabo said on arrival from his talks in Washington. Kata Peli Nagy reports:

[Peli] The IMF will no longer object to a large budget deficit providing that the money is not spent on social expenses and state investments reviving the economy are financed from it. Finance Minister Ivan Szabo, who has returned from Washington, was also surprised by the radical change in the IMF leaders' approach. While earlier they were studying the size and proportion of the budget deficit, now they are rather concentrating on what is behind the overspending. What they disagree with is that the continuous money outflow should strengthen the social sphere by more and more state bonds being issued to grub the money from the economy.

The main point now is whether economic growth can be started, the IMF experts reckon. The talks were very tough, Ivan Szabo said. The IMF experts completely disagreed with some points of the program we offered. However, after several runs we managed to sign a conceptual agreement which makes possible the drawing of stand-by credit worth $600 million.

Opposition Leaders View Antall Speech

AU1005140493 Budapest NEPSZABADSAG in Hungarian 7 May 93 pp 1, 4

["G.J.Z."-signed report: "Opposition Politicians on the Antall Speech—The Views of Ivan Peto, Zoltan Gal, Viktor Orban, and Jozsef Torgyan"]

[Text] Our correspondent interviewed opposition party leaders on Prime Minister Jozsef Antall's speech delivered at the Hungarian Democratic Forum's [MDF] National Board meeting.

According to Ivan Peto, chairman of the Alliance of Free Democrats [SZDSZ], "a minor speech rather full of superficial comments" was published. In my view, the prime minister is too serious a politician to accept this from him as an analysis, he said. In his view, Antall's statement that the SZDSZ and the MDF have similar sized political disagreements is not true. Thank God, we do not have the kinds of problems that the MDF has, Peto said.

In his view, the speech is only realistic in one area, in that the MDF does not have good chances at the elections. In his speech, Jozsef Antall said: "The country has grown up after 1956... with a broad pragmatic view." Reacting to this, Peto said that the MDF's program relating to the generation that grew up after 1956 has not been successful. It is unfortunate that they are trying to get hold of the tools of reeducation, Peto said.

Replying to the remark that there is no alternative to the MDF, he said that, in foreign policy, this has been refuted by the debate on the Ukrainian-Hungarian basic agreement, and in domestic politics, the activities of Istvan Csurka prove that this "cannot be taken seriously."

According to Zoltan Gal, faction leader of the Hungarian Socialist Party [MSZP], among Antall's remarks on the MSZP, the only one that stands up is that the party will get more mandates than in 1990. According to Antall, a pragmatic and party-bureaucratic group has emerged around [MSZP Chairman] Gyula Horn in the MSZP. The MSZP's policy is indeed determined by the central group of Gyula Horn, and this indeed is pragmatic. The fact that this is correct is best proved by Antall's bitterness in pointing out that the majority of the country's population has a pragmatic attitude, Gal said. In his view, this is precisely where the MDF is making a mistake, that its politics do not correspond to the country's wishes and its attempts at reeducation have failed. In Gal's view, the statement that there is no alternative to the MDF was a slogan of the early election campaign. The current MDF does not really have a place in current society, he added. In his view, it is a falsification by Antall when he tries to depict the MSZP and the former communist forces as one and the same thing. Reacting to Antall's other statement, he said that the MSZP is not interested in bringing forward the elections, but it is willing to discuss the possibility if the question arises. All in all, Gal called the speech a controversial and "very general" statement.

Viktor Orban, chairman of the Federation of Young Democrats [FIDESZ], commenting on Antall's statement on the generation after 1956, said that the MDF's attempt to turn the country into an ideological reeducation camp has failed. In his view, the 8-, 10-, or 15-percent estimates on the MDF's future are correct. Orban said that Antall's assessment of the FIDESZ (that it may even increase the number of its parliamentary seats fourfold) coincides with the

FIDESZ's goals. According to Orban, Antall's statement that there is no alternative to the MDF was only a commonplace election tactic. We have the biggest chance at the elections held in May 1994, Orban reacted to the suggestion that the FIDESZ is also considering the possibility of early elections. At the same time, he said it was his private view that early elections were in the country's interests. In his view, the only new element in the speech was the fact that Antall admitted that his policy had been unsuccessful and that the MDF has little chance at the coming elections.

In his speech, Antall called the Independent Smallholders Party [FKgP] the most critical point. This only registers his desires because the FKgP is the only party that is developing in Hungary today, Jozsef Torgyan, chairman of the party said. In his view, the groups that belong to the coalition "are not suitable to join any decent group of people." In Torgyan's view, it is the MDF that is the critical party, many of whose organizations in the provinces have ceased to exist and "in fact, it has fallen apart." Reacting to Antall's statement on the FIDESZ, he said that it is the the number of their children rather than their mandates that they can increase fourfold. He added that the prime minister can see that it is only hatred rather than votes that the MDF can get in 1994. This is a wise realization, Torgyan thought.

Economic Agreement Signed With Tatarstan

LD1105130493 Budapest MTI in English 1214 GMT 11 May 93

[Text] Budapest, May 11 (MTI)—Tatarstan will supply 1.5 million tonnes of oil to Hungary annually, one third of it processed, under a cooperation agreement for 1993-1998, signed by the economic ministers of the two countries in Budapest on Tuesday.

In return, Hungary will export agricultural and industrial products to Tatarstan and help modernize the country's agricultural and industrial technologies, says the agreement, signed by Hungary's International Economic Relations Minister Bela Kadar and Tatarstan's counterpart Savkat Arslanov.

The sides hoped bilateral trade would double to reach USD 400 million this year and goals set in a intergovernment economic agreement last year would soon be realized.

Further talks will take place in the near future.

Earnings, Tax Increases Reported

AU1105153393 Budapest NEPSZABADSAG in Hungarian 10 May 93 p 5

[MTI report: "Average Earnings—Above 25,000 Forints"]

[Text] At economic units employing more than 20 people, average gross earnings passed 25,000 forints as early as March. In the first quarter, gross earnings increased by 18.1 percent on average, a Central Statistical Office report shows.

Miners' earnings increased by 29.2 percent in the first quarter because part of the longevity awards were paid in this period. In March, average gross earnings increased by 14 percent over February mainly because of the profit and bonuses paid on 1992 performances. Average net pay, calculated by deducting personal income tax, employees' contributions, and employees' share of health and retirement contributions was 17,700 forints. This is 14.6 percent more than in March 1992. Net earnings increased by 15.5 percent in the first three months of 1993, while the consumer price index was 24.7 percent more than in the same period last year; therefore, real incomes decreased by more than 7 percent in the first quarter.

The difference in income between laborers and intellectual workers is increasing. In March, the gross earnings of laborers was almost 18,000 forints below that of intellectual workers, but this only meant 10,000 forints difference in net earnings because of the highly progressive income tax.

Trade With Slovenia Doubles in 1992

LD1105160793 Budapest MTI in English 1519 GMT 11 May 93

[Text] Budapest, May 11 (MTI)—Hungary's trade with Slovenia reached nearly USD 220 million last year, double that of 1991. Slovenia now accounts for 40 per cent of Hungary's trade with the South Slav region, it was stated at economic talks between the two countries' officials in Ljubljana on Monday and Tuesday.

Hungarian International Economic Relations Deputy State Secretary Lajos Berenyi had talks with Slovene Economic Relations State Secretary Voika Ravbar and Chamber of Commerce Deputy Chairman Josip Skoberne.

It is promising, the sides agreed, that over the first quarter of 1993, bilateral trade has reached USD 60 million.

As an indispensable condition of closer economic ties, the two countries will work out and sign agreements on investment protection and avoiding double tax as soon as possible.

Slovenia stressed its interest in signing a free trade agreement with Hungary. Berenyi and Ravbar agreed to speed up talks in order to conclude the agreement this year.

Health Sector Workers Continue Strike

LD1105194993 Warsaw PAP in English 1858 GMT 11 May 93

[Text] Warsaw, May 11—Health care workers continued on Tuesday their nationwide protest action organised by the Solidarity Trade Union of the public sector employees.

Forms of strikes and number of people participating in them varied in different regions. In Katowice province, for example, 95 per cent of medical care centres took part in the strike refusing to issue sick leave certificates. The protest in the provincial hospital in Leszno, the only one to join the nationwide protest in the province, took the similar form.

Health care centres in Zamosc region demonstrated their support for the strike demands by hoisting flags. Some of the clinics limited the number of services offered, and similarly to medical centres in the central region of Mazowsze, staged short 2-hour breaks in receiving patients.

The strike took the most active part in Legnica region where the provincial Sanitary Inspection Institution and its five local branches organised a sit-in to support the protest of health care workers.

The Supreme Doctors' Board expressed its support for strikers' demands writing in its declaration that the present financial policy made it impossible to offer the proper medical help.

Walesa Appeal to Government, Solidarity To Continue Talks

LD1105210193 Warsaw PAP in English 2037 GMT 11 May 93

[Text] Warsaw, May 11—President Lech Walesa has appealed to the government and the Solidarity Trade Union to hold talks aimed at stabilising the situation in Poland, Presidential Spokesman Andrzej Drzycimski said after a meeting between Lech Walesa and Solidarity Chairman Marian Krzaklewski in Warsaw on Tuesday.

President Walesa expressed concern over the failure of Monday's talks between Solidarity and the government on the issue of strikes in the public sector. The president will call on the government to review the financial capabilities of the state and to have more understanding for the plight of public sector employees.

Solidarity leader Marian Krzaklewski declared after the meeting that his union will hold talks only if it receives preliminary proposals of possible solutions.

During the meeting Krzaklewski presented to the president possible actions which might be undertaken by Solidarity and will be discussed by the Solidarity National Commission on Wednesday. The union may call a general strike or oblige its deputies in the sejm (lower house) to forward a motion for a non-confidence vote against the government.

Krzaklewski said that in his opinion, the idea of a no-confidence motion might be more effective and not as costly as a general strike.

Asked about recent statements by Polish Primate Jozef Glemp, who at the weekend criticised teachers for going on strike, Krzaklewski said that the union representatives want to meet the cardinal to explain their point of view. He asserted that there is no conflict between the church and Solidarity.

Conservative Chief Wants Broader Coalition

AU1205084893 Warsaw PAP in English 2107 GMT 11 May 93

[Text] Poznan, May 11—Conservative Party leader Aleksander Hall told a public meeting in Poznan today that he thought the government would be strengthened if the coalition was broadened. In his opinion the government would survive the coming week but added that a more important question was "whether the government has before it a longer perspective, or if it finds itself in a phase of decline."

Hall thought that the current teachers strike and protest by health service workers created a situation of confrontation but that the government should not bend to trade union pressure.

Hall maintained that the government's position could be strengthened if the coalition was broadened to include some of the opposition groupings which were prepared to share responsibility for governing the country.

Germany's Stolpe Seeks 'Constructive Action'

AU1205085893 Warsaw PAP in English 1621 GMT 11 May 93

[Text] Warsaw, May 11—Brandenburg Premier Manfred Stolpe at a Tuesday press conference described his Warsaw talks as serving "the division of work in future cooperation." He added that both sides "have great aims, but now it is important to take small, practical steps, to move from words to actions."

The readiness to begin full fledged cooperation between Brandenburg and Poland was the main topic of Tuesday discussions held between Stolpe and Deputy Prime Minister Pawel Laczkowski, announced the Government Press Bureau.

Stolpe cited "the Association Supporting the Economy" (TWG), which is to begin functioning in a few weeks, as an example of constructive action. The main function of the TWG will be to find investors and to distribute financial resources for entrepreneurial activities in both Poland and Germany.

Stolpe added that opportunities for cooperating with the European Communities are opening up. "After the great

efforts of the Polish and German Governments, we have succeeded in gaining the Communities' readiness to contribute financial resources to projects being carried out on Polish territory." Stolpe was referring specifically to programmes being implemented in borderland areas, which are to be "realized not only on the German side of the European Communities, but also on the Polish side."

Stolpe ended his two day long private visit to Poland on Tuesday afternoon.

Skubiszewski Withdraws as Candidate To Justice Court

AU1105091093 Warsaw PAP in English 2021 GMT 10 May 93

[Text] Warsaw, May 10—Polish Foreign Minister Krzysztof Skubiszewski has withdrawn his candidature for the post of a judge in the International Court of Justice in The Hague, President Lech Walesa said this morning.

Commenting on the fact, Prime Minister Hanna Suchocka expressed her deep recognition for Skubiszewski's decision and said that (the decision) "was of the utmost importance for Polish foreign policy since the minister is highly respected in the international forum."

Spokesman for the Foreign Ministry Grzegorz Dziemidowicz called the decision "difficult and painful to make," but added that Minister Skubiszewski has always valued public rights higher than private ones.

"Krzysztof Skubiszewski was interested in holding the post of a judge in the International Tribunal, but his resignation from the ministerial post in Poland did not depend on him alone," Dziemidowicz said and added that though the post in The Hague would have been a very prestigious one, Skubiszewski realizes he is very needed in Poland.

Repayment of London Club Debt To Commence 20 May

LD1105205893 Warsaw PAP in English 2029 GMT 11 May 93

[Text] Warsaw, May 11—Poland will start repaying its debt to the commercial bank creditors grouped in the London Club on May 20, Deputy Finance Minister Krzysztof Krowacki told a news conference on Tuesday. Agreement on the matter was reached during talks between the Polish side and London Club representatives in London on May 6 and 7.

Poland will begin to repay 10 per cent of overdue interest, currently running at some 5 million U.S. dollars per month. Poland's debt to the London Club totals 12 billion U.S. dollars but the banks have not ruled out the possibility of reducing the debt by 50 per cent, Krowacki, who is Poland's chief debt negotiator, said.

Poland suspended debt repayments at the end of 1989, although in February this year, the country resumed interest payments on its short-term revolving credit facility.

While in London Krowacki also discussed the basis for a wider agreement with the London Club. Negotiators decided that all Polish debt, long and medium term credits of 8.5 billion dollars, outstanding interest of 3 billion dollars and the revolving credit of 1.1 billion dollars, could be subject to reduction.

According to Krowacki the possibility of a substantial reduction of Polish debt arises following support for Poland from members of U.S. President Clinton's Administration, and from the International Monetary Fund (IMF).

Poland is seeking an agreement with the London Club similar to that reached with the Paris Club of official government creditors. The Paris Club agreed to a 50-percent reduction of Polish debt.

A spokesman for the working group of the London Club later confirmed that the Polish proposals regarding debt reduction had been received, and would be analysed. However, it was too soon to comment publicly on the proposals put forward by the Polish negotiators.

Council of Europe Discusses Membership Application

AU1105192693 Bucharest ROMPRES in English 1750 GMT 11 May 93

[Text] Bucharest ROMPRES, 11/5/1993—The Commission for the European Countries Not-Member of the Parliamentary Assembly of the Council of Europe met on Monday evening in order to discuss over Romania's application for the Council of Europe membership. The meeting was attended by Romanian deputies Florea Dudita and Adrian Severin as well as by the rapporteurs Fr. Koenig and Th. Pangalos. According to the schedule of the session, a new round of discussions will take place on Thursday.

Referring to some observations and recommendations contained by the report of the political commission, the Romanian delegates insisted on the issue regarding the endorsement by the Romanian Parliament of some laws regarding the treatment and the rights of the minorities. In that respect, the Romanian delegates underscored that a standard for such kind of legislation has to be a European one. So far, only three European countries adopted such laws. It could be us, the Romanians, the fourth country to adopt such kind of law but there does not exist a European standard in this matter and thus, this issue can not represent a condition for entering the Council of Europe, Romanian delegates said.

The Romanian delegates stated also that Romania could take as an example, relevant in the field, the Hungarian bill which has not been so far adopted but the idea is rejected by the Hungarian minority of Romania who would not be satisfied to be treated according to the stipulations of the bill concerning the ethnic minorities in Hungary, as this would mean a restraint to its rights.

Some other recommendations comprised by the report were evoked, as for example certain cases in the field of justice. On these issues, the Romanian delegates opined that the only conditions which could be accepted as valid by Romania were the ones strictly connected with the main European standards, the recommendations could not become conditions.

The admission of Lithuania in the Council of Europe was welcomed on behalf of the Romanian delegation to Strasbourg by Senator Adrian Paunescu. This important step taken by Europe meant the gradually elimination of the consequences of the Ribbentrop-Molotov criminal treaty, whose consequences were endured also by Romania, the Romanian senator said. He further referred to the image of Romania, to the way the Romanian realities are being perceived abroad, to the factors that affected this image. "Romania's awaiting to become a member of the Council of Europe was too long and uncomprehensible," the Romanian senator opined and further assessed that for the same admission process two different standards had been employed. The Romanian senator asked the Council of Europe for support in the setting free of the Romanian patriots imprisoned in Tiraspol, in ending the mock trial set up by the illegitimate authorities of Dniester, stressing the fact that "Europe is Europe only when all its components are functioning."

General Exposes Corrupt Government Staff

AU1005151893 Bucharest COTIDIANUL in Romanian 7 May 93 p 2

[Raluca Stroe Brumariu and Alexandru Ganea article: "General Florica Exposes the Ministers of the Vacaroiu Government"]

[Text] The unity of the FDSN [Democratic National Salvation Front] could be shaken by the disclosure, made by the former chief of the Financial Oversight Body, Major General Gheorghe Florica, within the defense commissions of the two parliament chambers. Those who are accused include Messrs. Florin Georgescu, minister of finance; Viorel Hrebenciuc, general secretary of the government and former director of President Iliescu's election campaign; and Ionel Roman, secretary of the Chamber of Deputies. The disclosure also refers to other figures and personalities such as George Ioan Danescu, the minister of interior, Cornel Dinu, Cico Dumitrescu, Mircea Vaida, George Danielescu, the former minister of economy and finance, and Octavian Andronic. According to a well-known principle, it was agreed to form a special commission made up of five deputies and two senators, members of the defense commissions. The proposal that this special commission also include members of the economic and finance-budgetary commissions was rejected. Although Mr. Gheorghe Florica insisted on viewing cassettes underscoring what he has affirmed, this was rejected due to the fact that this was going to take place within the special commission. Some FDSN members were indignant that they were members of the same party as the corrupt people—and this especially after the ruling party had declared war against corruption.

PLO Sends Thanks for 'Training Soldiers,' Support

AU1105123393 Budapest KOZTARSASAG in Hungarian 7 May 93 p 80

[Unattributed report: "Romania—One Telegram and the Statistics"]

[Excerpt] [passage omitted] While the Romanian dailes are still speculating about who the shooting terrorists really were in 1989 (Securitate forces or Arabs?), an interesting telegram appeared in the NU (NO) published in Kolozsvar [Cluj] in the shadows of the big political debates.

[PLO Chairman] Yasir 'Arafat sent a letter to President Ion Iliescu in which he wrote the following: "Comrade Ion Iliescu! On behalf of the government of Palestine, the Palestinian people, and the PLO, I have much pleasure in sending this message of sincere respect and best wishes

to Your Excellency on the occasion of your election as president of the fraternal Romanian State.

"At the same time, I would like to express our appreciation for the help and firm position with which you supported our true cause and our people's struggle to regain our national rights, including our right to return to our homeland, our right to autonomy, and to establish an independent Palestinian state, something that your country equally supported during the time of your predecessor (ed. note: Ceausescu) and during your Excellency's current presidency.

"The people of Palestine will never forget Romania's efforts in training our soldiers for their struggle against the Zionists, in taking care of our wounded, and in providing us weapons on a friendly and advantageous basis. As for the PLO, we will do everything in our power to broaden our cooperation with the brotherly Romania and to achieve the common goals of the two fraternal nations.

"At a time when most of the former communist countries in Eastern Europe are abandoning their brothers and old friends and cooperate with the hostile Israel, our heart is filled with pride when we see that our friend, the Romanian State, is supporting our true cause. The PLO Executive Committee decided to ask our brothers, the leaders of Romania, not only to represent our cause at international forums but also to continue our existing military cooperation and to strengthen the friendly relations between our peoples and institutions. We sincerely hope that our request will meet with understanding and sympathy.

"I wish Your Excellency health and happiness, and I wish progress and flourishing economy to the friendly Romanian people living under your wise presidency.

"For the Revolution, for Victory!

"Tunis, 07.12.92; Yassir 'Arafat, President of the State of Palestine and head of the PLO Executive Committee" [passage omitted]

FSN To Hold National Convention 28-29 May

AU1105123793 Bucharest Radio Romania Network in Romanian 1000 GMT 11 May 93

[Text] The Steering Collegium of the National Salvation Front [FSN] faxed us a message a few minutes ago informing us that the FSN Extraordinary National Convention will be held on 28-29 May in Constanta. Likewise, the message notes that the change of the name of the party and its merging with another party—if the need and opportunity for such action arise between two ordinary conventions—can be sanctioned only through an extraordinary convention.

The agenda of the FSN Extraordinary Convention includes precisely these issues. Discussions on motions will not be the object of the FSN Extraordinary National Convention. The participants in the convention will be presented a study entitled, "The State of the Nation in the Current Social and Political Time and Ways To Pull the Country Out of Crisis." This document will be read by Mr. Petre Roman, president of the party.

UDMR Views Appointment of Prefects as 'Offending'

AU1105162493 Bucharest ROMPRES in English 1511 GMT 11 May 93

[Text] Bucharest, ROMPRES 11/5/1993—The resolution of the mayors and councillors members of the Harghita County branch of the Hungarian Democratic Union of Romania [UDMR], held on April 30, in Miercurea Ciuc reads that "the appointment of prefects of Romanian nationality in Harghita and Covasna counties is an obviously discriminatory, minority offending measure."

"The conference of UDMR mayors and councillors," reads the resolution sent in to ROMPRES on May 11 for release, urges the councillors "to continue the activity begun in the interests of the communities and of the population," however considering as "justified and grounded all protest actions in the two countries meant to induce the government to start discussions and eventually reconsider its decision."

The conference decided that the councillors' resignation should not be proposed. But they shall not collaborate with the prefect's offices, solving instead the electorate's problems through the County Council.

Over 1 Million Unemployed Reported in May

AU1105123993 Bucharest ROMPRES in English 1051 GMT 11 May 93

[Text] Bucharest, ROMPRES, 11/5/1993—Work force offices reported 1,050,732 unemployed on May 10, i.e. 433,889 men and 616,979 women. Unemployment benefit lists counted 956,732 people, of which 833,499 workers, 106,542 high school graduates and 16,691 higher school graduates. 221,473 unemployed do no longer meet conditions to be paid benefits.

6,769 work places are available, 577 for high and higher school graduates and 6,192 for workers.

Silajdzic Formally Requests Withdrawal of UNPROFOR

AU1105205793 Paris AFP in English 2051 GMT 11 May 93

[Text] United Nations, May 11 (AFP)—Bosnian Foreign Minister Haris Silajdzic formally requested the withdrawal or redeployment of U.N. peacekeepers in his country, claiming the forces present an obstacle to the nation's self-defense.

In a letter to Russian Ambassador Yuri Vorontsov, the rotating president of the Security Council, the Bosnian official called for the removal from combat zones as quickly as possible of all U.N. personnel deployed for humanitarian purposes in the Balkan state.

"Should the United Nations in its wisdom choose to reconfigure U.N. forces on our territory so that they can adequately defend themselves and so that their safety does not dominate international concern, we will welcome that decision," the statement said.

Siladzic made a similar statement on the withdrawal of peacekeepers last weekend in Washington.

The request comes amid pressure from Washington for international military action against Bosnia's Serbs and resistance from European countries who have sent peacekeepers to the zones who could be jeopardized by intensified combat.

The letter said the concerns about the safety of peacekeepers represent a significant obstacle to the Bosnian defense and to efforts by the Sarajevo government to seek a lifting of an international arms embargo.

The statement contained an additional plea to end the embargo against the Moslem-led government, saying it has "in practice, constituted an international intervention against our legitimate rights as a member of the United Nations."

Croatian-Muslim Fighting Resumes in Mostar

LD1205093893 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 12 May 93

[Text] Fighting resumed in Mostar this morning, the command of the southeastern Herzegovina operational zone has stated. Clashes are taking place around buildings seized by the Muslims on the right bank of the Neretva river. Muslims are also launching mortar attacks on residential districts on the right bank of the river from their strongholds on Mount Velez.

Sarajevo Radio Reports Fighting

AU1205112093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 12 May 93

[Report from the Bosnia-Herzegovina Army Press Center in Mostar]

[Text] The fiercest attack of the Croatian Defense Council [HVO] and the Croatian forces on the positions of the Bosnia-Herzegovina Army and the Bosnia-Herzegovina Interior Ministry lasted all day yesterday. More than 3,000 shells were fired from heavy howitzers, while the HVO soldiers also used multiple rocket launchers, mortars, tanks, and all infantry weapons. Tear gas was used several times, the greatest crime being the repeated use of innocent civilians as a live shield in front of the HVO soldiers.

This occurred near the Old Age Pensioners' Home, and yesterday near the Ruza Hotel where innocent civilians were forced to shield the HVO soldiers with their bodies, who persisted, and are still unsuccessfully persisting in trying to push back the Bosnia- Herzegovina Army forces to the other bank of the Neretva River. The whole area, once held by the ill-famed chetnik General Perisic, along the old railway line that runs through Mostar, which was meant to divide the city into the Serbian and other parts, is now in flames.

The HVO forces are more vicious than the chetniks in destroying Mostar, while at the same time, using their media, they are falsely reporting attacks of, to use their term, Muslim forces. What is really going on is the Muslims defending themselves and the right to a bare existence, and the self-defense of the Bosnia-Herzegovina Army in the [word indistinct] of Bosnia-Herzegovina, which the HVO, as its leaders publicly admitted, wants to destroy, disarm, or expel from Mostar.

The HVO's attack, after public condemnation from the highest places and after the UN Security Council condemned the HVO aggression against the Herzegovina Muslims and proclaimed the HVO a paramilitary force, has escalated.

Zagreb Radio Reports Fighting

LD1105213093 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 11 May 93

[Report by Slavko Rako from Mostar]

[Text] Following a relatively quiet night and morning, Muslim forces fired several mortar shells at the Mostar area on the right bank of the Neretva; they were also targeting the police headquarters, the student dormitory and the main headquarters of the Croatian Defense Council [HVO]. After that, fighting again flared up in the town. Late this afternoon and in early this evening the fighting escalated, and the town is now being rocked by explosions and machinegun fire.

The most frequent question raised at the command of the HVO armed forces is: Where have the Muslim formations acquired such huge amounts of ammunition and shells, which they always lacked when they were fighting the Serbian aggressor? The HVO is being attacked for the third day running.

According to a report released tonight, five HVO soldiers were killed in today's fighting, while 52 have been wounded.

Six civilians have also been wounded. The HVO health department has cautioned that this is not final information, as many dead and wounded HVO soldiers have not yet been retrieved yet from the frontline.

Muslims Appeal for Help

LD1105213793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 11 May 93

[Report on an appeal by the chief of staff of the Fourth Corps by an unidentified correspondent from the Mostar press center]

[Text] Mostar is burning for the third day running. Hundreds of apartments and private homes have been destroyed. A column of thick smoke 400 meters high is hovering above Mostar. The once notorious chetnik stronghold, now the Croatian Defense Council [HVO] stronghold [words indistinct] is burning now.

The bestiality and brutality of the fascist leadership of the so-called HV [Croatian Army]-HVO and the blind passion of HV-HVO soldiers, who are being showered with fresh lies and misinformation by Radio Mostar, reached its peak after 1100 today.

Following sporadic shooting last night and this morning, Mostar and the surrounding area have been on fire since 1100. The bestiality of HV-HVO soldiers reached such proportions that they first wounded seriously [words indistinct] with artillery shells and then banned a UNPROFOR [UN Protection Force] vehicle carrying a seriously wounded Spanish colonel from going south, probably to Split, where he could receive the necessary medical treatment. The same vehicle was turned back in Mostar's southern industrial zone and it then turned back to the north, likely to Sarajevo.

Over 3,000 destructive shells were fired from 1100 to 1900 by the aggressor and the shelling then intensified between 1900 and 2100, even as this dispatch is being filed. About 750 shells have been fired during this period on all vital parts of the town and on the defense lines stretching along Santic Street, Bulevar Revolucije, and [word indistinct], which are being defended jointly by units of the Bosnia-Herzegovina Army and the Mostar Ministry of Internal Affairs.

Scores of dead and wounded civilians are laying in the streets. Due to constant shelling, no one dares approach the wounded crying for help. Hand-to-hand to fighting is under way on Santic Street and near the (?Ruza) hotel, where HV-HVO units have managed to breach the first defense lines by 100 meters. Our forces in this location are being surrounded. I repeat, hand-to-hand fighting is under way.

We appeal to all patriots of sovereign Bosnia-Herzegovina, all individuals, and all units to head for Mostar immediately [words indistinct]. Mostar is burning. The town is without water and electricity. The HV-HVO have surpassed their teachers, the chetniks, in destroying Mostar.

[Signed] Sulejman Petak, chief of staff of the Fourth Corps [word indistinct]

'Street Fighting' Continues

LD1105231093 Belgrade TANJUG in English 2252 GMT 11 May 93

[Text] Belgrade, May 11 (TANJUG)—Fierce street fighting which began between Moslem and Croat forces in Mostar around 1 p.m. (1100 GMT) on Tuesday [11 May] continued into the night.

Heavy clashes were reported Tuesday also in the areas north of Mostar, around Jablanica and Konjic.

Bosnian Moslems and Croats, until recently allies against Bosnian Serbs, began fighting two months ago for domination over the territory with the mixed Moslem-Croat population. In this way, they annulled their signatures on the Vance-Owen peace plan for Bosnia-Herzegovina.

The U.N. Security Council strongly condemned Monday night Bosnian Croats for launching a broad offensive on local Moslems. It also urged an end to all war activities and demanded that Croatia stop its interference in Bosnia-Herzegovina.

The Moslem-controlled Sarajevo Radio said Bosnian Moslem leader Alija Izetbegovic sent Tuesday a letter to Bosnian Croat leader Mate Boban, proposing that the implementation of the Vance-Owen plan begin "to the degree which is possible at present."

The radio quoted Izetbegovic as saying the implementation of the plan would eliminate the threat of renewed Moslem-Croat fighting and help "restore mutual trust."

According to the radio, Croat forces expelled some 3,000 Moslem residents of Mostar from the Neretva River right bank.

The REUTERS news agency said Croat forces detained around 300 Moslem men, women and children at an aluminum factory near Mostar, after transporting them by buses to the outskirts of the town.

Croat soldiers did not allow REUTERS' photographer, who witnessed the expulsion, to speak to Moslem detainees and even threatened her with arms.

She said Croat soldiers deliberately drove into the column of Moslem detainees while they descended the steep mountain path, and then saluted each other with the Nazi salutation.

The Croatian radio, too, reported fighting in Mostar Tuesday, claiming that the HVO [Croatian Defense Council] forces were liberating building after building, from which Moslem snipers were shooting.

The radio also said 12 Croats were killed and 79 wounded in the three-day clashes in Mostar.

The information about possible casualties on the Moslem side were not available.

A member of the UNPROFOR [UN Protection Force] from Spain was wounded heavily Tuesday, while protecting the transport of blood and medical supplies on its way to Mostar, REUTERS reported.

The Spanish troops were escorting the International Red Cross Organization vehicle bound for Mostar. The lieutenant was shot in the neck, arm and leg, an UNPROFOR spokesman said.

The Serb military sources said Tuesday the fiercest battles between the Moslems and Croats in Mostar were being fought around the hill called Hum - an important strategic point.

The Moslem infantry was trying desperately to seize Hum, after which it would have control over entire Mostar and the Mostar valley.

The meeting Tuesday between the chiefs of staff of the Moslem and Croat forces, Sefer Halilovic and Milivoj Petkovic, devoted to pacifying the situation in Mostar failed to yield results.

According to the Moslem Sarajevo Radio, the meeting was interrupted, because Halilovic made its continuation conditional on entrance of the UNPROFOR and E.C. observers into Mostar, securing of ceasefire and tending the wounded.

A UNPROFOR spokesman said Tuesday in Zagreb Gen. Philippe Morillon, commander of U.N. forces in Bosnia-Herzegovina, would go to Mostar Wednesday in an effort to establish ceasefire with Petkovic and Halilovic.

Morillon To Help Implement Cease-Fire in Mostar

AU1105173293 Paris AFP in English 1715 GMT 11 May 93

[Text] Kiseljak, Bosnia-Herzegovina, May 11 (AFP)—A company of United Nations troops will be allowed back into the southern Bosnian city of Mostar as the first step towards implementation of a cease-fire to end fierce fighting between Croats and Moslems, U.N. Commander in Bosnia General Philippe Morillon announced here Tuesday [11 May].

General Morillon said that he, Bosnian Croat Army Commander Milivoj Petkovic, Commander of the Moslem-led Bosnian Army General Sefer Halilovic and European Community monitor Jean-Pierre Thebault would be in Mostar on Wednesday [12 May] to work on implementing the ceasefire.

The accord was reached after four hours of talks between Petkovic and Halilovic.

But the accord did not include an immediate separation of forces in the city which Croats attacked early Sunday [9 May]. Both sides said the ceasefire would have to be accepted before such a step could be undertaken.

General Morillon said a company of about 100 Spanish troops with the United Nations Protection Force (UNPROFOR) would be allowed back into Mostar, which they quit after the fighting broke out, to help arrange respect of the ceasefire announced Monday, as well as arrangements for evacuating the wounded.

The agreement also includes inspection of the communities of Klis, Kostajnica and Konjic, where Croats accuse Moslem forces of ethnic cleansing.

General Morillon said both sides had agreed to guarantee "absolute freedom of movement" for UNPROFOR troops, E.C. monitors and all humanitarian agencies in Mostar.

The French general said that another important step was agreement to open up the route from Metkovic to Kiseljak for humanitarian shipments, officials and other transport.

But neither Halilovic nor Petkovic was willing to commit themselves immediately to a separation of forces in Mostar, where the Moslems say Croat forces have been attacking and rounding up civilians in their own campaign of ethnic cleansing.

"The priority is to establish a genuine cease-fire and the separation of forces should be discussed tomorrow or the day after tomorrow," said Petkovic.

Halilovic also said the establishment of a genuine ceasefire was a first step, because Moslem forces were still under attack by the Croats, despite the ceasefire agreement negotiated by Bosnian President Alija Izetbegovic and Bosnian Croat leader Mate Boban on Monday. "Only then can we consider the separation of forces," Halilovic said.

Earlier Tuesday General Halilovic accused Croat forces of "massacring" civilians in a fierce battle for Mostar, in a campaign of "genocide" they had revived within hours of agreeing to a cease-fire Monday night.

The Croats have been fighting the Moslems, their nominal allies against the Bosnian Serbs, in what seems to be a campaign to clear Moslems out of an area in south-central Bosnia that would be Croat-controlled under the Vance-Owen peace plan.

Morillon's Entry Blocked

LD1205102893 Paris France-Inter Radio Network in French 1000 GMT 12 May 93

[Text] This morning General Morillon was prevented from entering the town of Mostar, where he is supposed to implement the cease-fire. An EC observer was not able to give precise details on the military situation in Mostar, where the Croats have been accused of carrying out a campaign of ethnic cleansing against the Muslims.

Churkin Voices Russia's Disapproval of Croat-Muslim Clashes

LD1105221493 Belgrade TANJUG in English 2139 GMT 11 May 93

["Pool" item]

[Text] Belgrade, May 11 (TANJUG)—Russian president's special envoy Vitaliy Churkin said Russia looked highly negatively upon the war between the Croats and Moslems in central Bosnia and northern Herzegovina.

In an interview to Belgrade's daily BORBA prior to his leaving for Zagreb, Churkin said Russia had no information of its own about whether Croatia's Air Force bombed the town of Konjic, as set out a few days ago by the Moslem Sarajevo Radio.

He noted that he would discuss this in Zagreb, where he was due Wednesday, with UNPROFOR Commander for former Yugoslavia Gen. Lars-Erik Wahlgren in an effort to clear up whether there were any such bombing or not. He said that if there was already a no-fly zone imposed over Bosnia, then all the sides should obey it and added that if there were any such bombings this was, to say the least, unacceptable.

Churkin was traveling to Zagreb because Russia, as set out in Moscow, was seriously concerned about the development of the situation in central Bosnia. The Russian envoy set out to convey to Croatian President Franjo Tudjman Moscow's concern about the military operations of the Croatian formations in the region of Mostar against the Bosnian Moslems. Churkin recommended to the Bosnian Serbs to vote in favor of accepting the Vance-Owen plan at the coming referendum.

In an interview to BORBA's Moscow correspondent, to be carried on Wednesday, Churkin set out that the Vance-Owen plan was now the sole basis for stopping war in Bosnia and establishing peace.

The referendum of Serbs in Bosnia is to be held on May 15-16 as decided by the Bosnian Serb Parliament on May 6. The parliament failed to verify the remaining two documents of the Vance-Owen plan. These documents pertain to the maps and the transitional order of Bosnia-Herzegovina and Bosnian Serb leader Radovan Karadzic has initialed them on May 2 at the Athens conference.

Izetbegovic Asks UN to Declare Mostar Protected Area

LD1105221893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 11 May 93

[Text] Following the latest clashes in Mostar, Bosnia-Herzegovina Presidency President Alija Izetbegovic today sent a letter to the UN Security Council. His letter reads as follows:

Dear gentleman, bearing in mind the fact that the clashes in Mostar and its surrounds threaten to escalate and call the implementation of the Vance-Owen peace plan for Bosnia-Herzegovina into question, the Presidency of the Republic of Bosnia-Herzegovina calls on the UN Security Council to consider the latest situation and to declare Mostar and its surounds a protected area under UN supervision. We believe that in this way conditions will be created for putting an end to the military operations and for unhindered humanitarian deliveries to the population of this area. We also suggest that a blue road be set up from Mostar to Sarajevo in line with the Vance-Owen plan.

Given this new situation, we believe that this is the only way to save the possibility of implementing the Vance-Owen peace plan, the letter notes.

Tudjman Due in Mostar To Seek Solution to Clashes

AU1205085793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 12 May 93

[Report by Nada Al-Isa from Zagreb]

[Text] Croatian President Franjo Tudjman will soon be in Mostar. Namely, the Croatian leadership has proposed that the Croat president, the president of the Presidency of Bosnia-Herzegovina, Alija Izetbegovic, and Prime Minister Akmadzic should meet in Mostar, but in the presence of the cochairmen of the conference on former Yugoslavia.

The purpose of the meeting would be to stop the Muslim-Croat clashes in central Bosnia. This was proposed at the meeting of the Croatian Defense and National Security Council, held overnight and chaired by President Tudjman. The meeting followed after the UN Security Council sharply condemned the Croatian state, saying that its regular forces were involved in the war in Bosnia-Herzegovina, in central Bosnia, that is.

This was sharply denied in Zagreb and was accompanied by surprise that the UN Security Council had proclaimed the Croatian Defense Council [HVO] a paramilitary force. Croatia believes that the HVO is equal to the Bosnia-Herzegovina Army and asks that the joint military command be formed and that the implementation of the Vance-Owen plan, as stipulated by Alija Izetbegovic's and Mate Boban's signatures in the presence of Lord Owen on 25 April in Zagreb, be initiated.

[Words indistinct] Croatian diplomatic service, the state, and the leadership want to do something to really stop the clashes in Bosnia. President Tudjman's trip to Mostar, the proposed trip to Mostar should not come as a surprise, particularly if we are aware of the fact that Tudjman recently said that he would even go to hell to stop the spreading of the clashes. According to Zagreb sources, Mostar really is hell at the moment, and it is time for the trip.

Halilovic-Petkovic Talks Delayed for EC, UNPROFOR Actions

LD1105232393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 11 May 93

[Text] Today's meeting between Sefer Halilovic, chief of staff of the Supreme Command of the Bosnia-Herzegovina Armed Forces, and Milovoj Petkovic, chief of General Staff of the Croatian Defense Council [HVO], has been interrupted at the request of the chief of staff of the Supreme Command of the Bosnian Army for as long as it takes UNPROFOR [UN Protection Force] units and EC observers to enter Mostar and for as long as necessary to secure a cease-fire and to provide help to the wounded.

Sefer Halilovic also requested that UNPROFOR units and EC observers be allowed to pass on all roads leading to Mostar, Klis, and Kostajnica, the press center of the Bosnia-Herzegovina Army reports.

Croats Demand Muslim Withdrawal From Vitez Area

LD1105145193 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 11 May 93

[Text] Negotiations between Muslims and Croats in Vitez will not be resumed until all Bosnia-Herzegovina Army units which are not from this area withdraw, it was concluded at a session of the Croatian Defense Council [HVO] Command in Vitez today. It was also said that demarcation lines [between Muslim and Croatian units] must be the municipal borders between the Zenica and Vitez municipalities. The HVO Command pointed out that Muslim forces have not implemented an order issued by the Joint Command of the 3d Corps of the Bosnia-Herzegovina Army and the HVO's Central Bosnia operational zone.

In Zenica, HVO units have been disarmed and many Croat soldiers have been arrested. In Vitez, Bosnia-Herzegovina Army units are continuing their attacks on HVO units and they control a part of Vitez municipality.

Abdic Criticizes Army for Redrawing Vance-Owen Map

LD1105221593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 11 May 93

[Text] In connection with the latest clashes between units of the Bosnia-Herzegovina army and the Croat Defense Council [HVO], state Presidency member Fikret Abdic issued the following statement:

The latest clashes between units of the HVO and the Bosnia-Herzegovina Army in Mostar and central Bosnia, where innocent people are dying and where property is being destroyed, threaten to turn into an open Croat-Muslim war. Not wanting to analyze who is to blame for the clashes, I demand an immediate end to the fighting and that the killing of innocent people and the destruction of property cease.

All Muslims now criticizing the Vance-Owen plan as being detrimental to the Muslim nation and who want to redraw it by the force of arms are working directly against the interests of the Muslim nation.

I raise my voice against all actions done by members of the Muslim nation which lead to a further escalation of relations between Muslim and Croat nations, which make it more difficult to end the fighting, and which bring into question the implementation of the Vance-Owen plan.

Army Rebuts Accusation

LD1105222693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 11 May 93

[Text] A statement for the public, which was issued by Fikret Abdic, a member of the Presidency of our state, voices accusations against the Army of the Republic of Bosnia-Herzegovina; this statement, to say the least, causes surprise among the public even more so because Mr. Abdic is a member of the Supreme Command of the Bosnia-Herzegovina Army. It should however stressed that Mr. Abdic has been absent without any good reason from his job for a year.

The army press center has been authorized to issue the following statement in connection with this:

The Army of the Republic of Bosnia-Herzegovina has been observing and will continue to observe all decisions by the Bosnia-Herzegovina Presidency in its capacity as supreme commander. In connection with this, the Bosnia-Herzegovina Army categorically rejects all accusations made in the statement for the public by Mr. Fikret Abdic, which insinuates that the army wants to redraw the Vance-Owen plan by force of arms.

Croatian television gave a lot of publicity to this statement, because it in practice rehabilitates sections of the Croatian Defense Council [HVO] which started open aggression against Bosnia-Herzegovina.

It is not up to us to say whom such statements favor.

On this occasion we only want to deny parts of Mr. Abdic's statement, which bear no relation either to reality or to generally accepted assessments about the Bosnia-Herzegovina Army made by the supreme command.

Mr. Abdic does not even acknowledge that General Wahlgren, UN Protection Force commander for former Yugoslavia, and EC observers clearly and definitely accused the HVO for starting clashes in Herzegovina, the statement issued by the press centre of the Army of the Republic of Bosnia-Herzegovina states among other things.

Izetbegovic Calls on Croats To Implement Peace Plan

LD1105225693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 11 May 93

[Text] The president of the Presidency of our state has sent a letter to the Chairman of the Croatian Democratic

Union [HDZ] for Bosnia-Herzegovina, Mate Boban suggesting that they should proceed with the implementation of the Vance-Owen plan to the degree to which it is possible to do it now.

President Izetbegovic maintains that the implementation of this plan would avert a danger from further clashes between units of the Bosnia-Herzegovina army and the Croat Defense Council [HVO], and would contribute to restoration of the lost trust.

The proposal will be distributed to the cochairmen of the Geneva conference on Bosnia-Herzegovina, Messrs Owen and Stoltenberg.

Assembly Endorses Vance-Owen Plan in Sarajevo

AU1105183093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 11 May 93

[Report by Nada Rajkovic]

[Excerpt] Those deputies of the Bosnia-Herzegovina Assembly that were sitting in the session in Sarajevo have decided to endorse the Vance-Owen plan for Bosnia-Herzegovina, which (?determines) the bodies to be responsible for the implementation of the plan. [word indistinct] for the four documents of the Vance-Owen plan: the agreement on the constitutional principles of Bosnia-Herzegovina, (?peace), maps, and the agreement on the interim solution. [passage omitted]

Morillon Wants More UN Troops for Safe Havens

AU1105202293 Paris AFP in English 2004 GMT 11 May 93

[Excerpt] Kiseljak, Bosnia-Herzegovina, May 11 (AFP)—General Philippe Morillon, the commander of U.N. forces in Bosnia-Herzegovina, said Tuesday [11 May] he would ask for more troops to help establish safe havens in the former Yugoslav republic.

Morillon said he had asked his staff to prepare a report on manpower needs beyond the approximately 7,700 troops currently with the United Nations Protection Force (UNPROFOR) guarding relief shipments in Bosnia.

UNPROFOR's role is destined to expand with the decision by the U.N. Security Council to declare the Serbian-besieged cities of Sarajevo, Zepa, Gorazde, Tuzla and Bihac as protected areas, in addition to the enclave of Srebrenica.

"We will have certainly to prepare for a redeployment and we will ask certainly for additional forces," Morillon said at UNPROFOR's Bosnian command headquarters here.

The French general did not give a figure but UNPROFOR officials said he was speaking of possibly two more battalions, or up to 2,000 men.

Morillon said that UNPROFOR could start the process of establishing protected areas in Sarajevo and Bihac immediately.

"For Gorazde and Tuzla we will need additional forces and certainly we will ask for this," he said.

Other UNPROFOR officials said the new troops could also work in other tasks involving the civilian population in addition to their original mandate to protect relief convoys.

Morillon expressed confidence that cease-fires between Bosnian Serbs and Moslems and Croats and Moslems arranged in recent days would bring a measure of calm to the former Yugoslav republic.

He also raised eyebrows when he referred to Bosnian Serb commander Ratko Mladic as the "chief of state" of the Bosnian Serbs, apparently eclipsing Radovan Karadzic.

An UNPROFOR spokesman said later that Morillon was only expressing a personal opinion. [passage omitted]

French, British To Evacuate Zepa Refugees to Zenica

AU1105204193 Paris AFP in English 2022 GMT 11 May 93

[Text] Zenica, Bosnia-Herzegovina, May 11 (AFP)—About 230 Moslem refugees, including 30 seriously wounded, will be flown here by helicopter from the besieged town of Zepa in eastern Bosnia, European Community monitors said Tuesday [11 May].

They said four French Puma helicopters would take out the first load of refugees on Wednesday and British helicopters would carry out the rest of the 230 on Thursday.

The helicopters will drop the refugees off behind the hospital in this mainly Moslem town in central Bosnia, the E.C. monitors said.

Those who need treatment will be admitted to hospital and the others will be eventually placed in centres in Zenica, which already has some 40,000 refugees.

Bosnian Serb-Muslim Cease-Fire Holding

LD1105165993 Belgrade TANJUG in English 1630 GMT 11 May 93

[Text] Belgrade, May 11 (TANJUG)—The cease-fire agreement between the Bosnian Serbs and Moslems, which took effect on Sunday noon, is observed on Tuesday [11 May], despite minor provocations by the Moslem side.

It was mainly quiet in eastern Bosnia in the area between Bratunac and Zvornik, although Moslems fired minor firearms provocations from the wider Srebrenica area,

Bosnian Serb military sources have told TANJUG. The Serb side did not answer the provocations, the same sources said.

Moslems violated the truce in Sarajevo by firing several 120mm shells on the Serb suburb of Ilidza at 10:00 (local time) on Tuesday. The attack was preceded by a strong explosion in the Moslem-controlled settlement of Hrasnica. Only minor provocations were reported in other parts of the Sarajevo front, mainly from firearms.

Moslem forces on Tuesday fired four 82 mm shells on the southern suburb of Doboj, northern Bosnia, and opened anti-aircraft gun fire in the area of the nearby Teslic.

While the cease-fire agreement between Bosnian Moslems and Serbs is chiefly observed, heavy clashes are taking place between the nominal allies—Bosnian Moslems and Croats—despite the fact that their leaders signed the Vance-Owen peace plan.

Bosnian Serbs Urged Not To Hold Referendum

LD1105161693 Belgrade TANJUG in English 1603 GMT 11 May 93

[Text] Belgrade, May 11 (TANJUG)—The heads of state, the assembly presidents and the prime ministers of the Federal Republic of Yugoslavia, Serbia, Montenegro and the Republic of Serbian Krajina (RSK) on Tuesday urged the parliament of the Serbian Republic in Bosnia-Herzegovina not to hold the set referendum on the Vance-Owen peace plan but to accept the plan at a joint session of the parliaments in Belgrade on May 14.

Bosnian Serbs: Pan-Serb Assembly Only After Referendum

LD1105235693 Belgrade TANJUG Domestic Service in Serbo-Croatian 2253 GMT 11 May 93

[Text] Zvornik, 11 May (TANJUG)—Following a five-hour-long session held in Zvornik, a session of the Main and Executive Committees of the Serb Democratic Party [Srpska Demokratska Stranka—SDS] for the Serb republic [in Bosnia-Herzegovina] ended at midnight. The session, as disclosed, unanimously agreed that the Vance-Owen plan cannot be accepted.

At the same time, it supported the decision of the Serb republic assembly to hold a referendum on 15 and 16 May, when the people will vote on the plan.

A statement for the public read out to journalists by Information Minister Miroslav Toholj, adds "Members of the Main and Executive Committee and presidents of the SDS regional board supported the idea of holding a session of the pan-Serbian assembly."

The statement then stresses, "According to members of the Main and Executive Committees, it is possible to hold the session of the parliaments of all Serbian lands if the agenda is coordinated and only after the referendum, which cannot be postponed, and after a new session of the Serb republic assembly."

The session of the Main Committee, which was held behind closed doors, was chaired by the Radovan Karadzic, president of the Serb republic and SDS chairman. Assembly speaker Momcilo Krajisnik and Prince Tomislav Karadjordjevic attended the session.

Bosnian Serbs Call for Rejection of Vance-Owen

LD1105155993 Belgrade TANJUG in English 1524 GMT 11 May 93

[Text] Bileca, May 11 (TANJUG)—The Bosnian Serb political leadership in eastern Herzegovina on Tuesday called on the Serb civilians and troops to vote against the Vance-Owen plan at a referendum next weekend.

"The endorsement of the Vance-Owen plan means the loss of our economic base, natural and power resources, land and water communications, the surrender of 18 Serb towns and hundreds of Serb villages to our enemies and the leaving of over 52 percent of the Serb population at the mercy of those who are now shooting at our people", the communique issued in Bileca said.

The Bosnian Serb parliament scheduled a referendum on the Vance-Owen plan for May 15 and 16.

Despite the international community's threats and pressures and the advice of the leading Yugoslav politicians to approve the plan, the Bosnian Serb parliament refused to endorse the signature its leader Radovan Karadzic put to the plan in Athens on May 2 for the reasons voiced in the communique.

The Vance-Owen plan was signed by the Bosnian Moslems and Croats. However, the erstwhile allies have recently been fiercely clashing for domination over territories in central Bosnia, thus violating the peace plan.

Serbs Issue Text of Referendum Questions

AU1005193693 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 10 May 93

[Report by Marica Lalovic from Sarajevo]

[Text] The assembly of the Serbian republic [in Bosnia-Herzegovina] has coordinated the text of the two questions for the referendum of the Serbian people in the Serbian republic, which should be held on 15 and 16 May. The text of the first question is as follows: Are you in favor of the Vance-Owen plan? This question has four supplementary questions, which are as follows: 1. Are you in favor of the maps? 2. Are you in favor of the constitutional principles? 3. Are you in favor of the military paper? 4. Are you in favor of the transitional arrangements?

The text of the second question is as follows: Are you in favor of an independent Serbian republic that would have the right to associate [povezivati] with other peoples and states?

As regards the referendum, today the ministry of foreign affairs of the Serbian republic sent invitations to the ambassadors of UN member countries to send observers on 15 and 16 May to monitor the regularity of the referendum.

The second day of the cease-fire is generally holding in Sarajevo. Apart from some Muslim sniper activity against Serbian positions in Vogosca, Rajlovac, and Ilidza, this was a calm day in other sections of the front. There was occasional sniper fire in the Ilidza front directed at Serbian defenders in Nedjarici, Kasindol Street, and (Javrici). Serbian fighters did not respond to this provocation.

Army Leaders Assess Defense Strategy Against NATO Planes

AU1205114193 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 9 May 93 p 6

[Article by D. Vujcic: "Traps Even for the Invisible"]

[Text] The UN Security Council Resolution sanctioning the use of force in the skies over Bosnia-Herzegovina, which has legalized the western allies' air piracy on the territory of the former Yugoslavia, has introduced a foreign military intervention in the Balkans through the back door. In the rich arsenal of provocations and demonstrations of force, NATO pilots have broken the sound barrier over populated areas, descended to an altitude of 500 meters, and provoked the Serbian republic army's antiaircraft defense with IC-decoys several times so far.

Only recently, over Pale, at the time of the Serbian republic assembly at which the acceptance or rejection of the Vance-Owen plan was discussed, the insolence of the NATO pilots reached a climax when they broke the sound barrier over Jahorina. On the same day, the western countries' aircraft violated the FRY's air space. What can be expected in the future?

The Onslaught of the "Black Rose"

For the time being, the members of the Air Force and Antiaircraft Defense in the Serbian republic and the FRY have managed to keep a cool head. There have been no incidents in the air so far, partly because they know that these are provocations, and partly because neither the Bosnian Serbs nor the FRY want a war. Nevertheless, both the Air Force of the FRY and that of the Serbian republic army are prepared for all kinds of surprises.

If air strikes on Bosnian Serb positions do occur, it is certain that the first sorties will not be flown by Phantom, Mirage, or British Tornado aircraft. If there is a military intervention, it is probable that the first planes to fly in the skies over Bosnia-Herzegovina will be (black) [crn] technology Stealth aircraft, the pride of NATO aviation.

The realization of the "invisible planes" program began in the United States in 1980. In the beginning, the development of this super modern and secret weapon was known to only two percent of congressmen, and the "stealth technology" planes were first publicly exhibited some 10 years later. These planes had their fiery baptism during the so-called Desert Storm.

According to military experts, in case of a military intervention, the Americans will stick to the "Iraqi formula." Therefore, during the initial raids, the first planes to appear would probably be the Black Rose, (also part of the Stealth program), which survey and detect radar frequencies even when the radar is passive. The planes relay their information to the air force command centers, from where planes for different purposes then set out.

The Cut Diamond (the sign of the F-117), is an aircraft whose primary task is to neutralize antiaircraft systems and aircraft on the ground. It is made out of composite materials which absorb and let electromagnetic waves through, which makes it invisible to radar. The engines of this plane are encased in ceramic so they do not emit infrared beams, which makes them very hard to target with missiles. Moreover, the plane is soundless in flight. We could expect planes from the base in Italy and from the aircraft carriers in the Adriatic to appear in the skies only after the Diamonds had done their job.

False Positions

NATO's latest war strategy is, of course, not unknown to the officers of the Serbian republic and the FRY. Although there is no 100-percent efficient defense from these planes, there are many ways in which the planes can be "deceived." In the defense arsenal against the invisible planes, the primary things are false combat positions of the Anti-aircraft Defense, reserve positions, and the dislocation of missile systems. Obligatory in defense against "black technology", is the use of outdated radars which emit electromagnetic waves, and "passive" missile batteries which become "active" when the enemy does not expect it.

The air strikes (if it comes to that), will also include strong electronic interference, which was what confused the Iraqis. The top officers in the Yugoslav Army stress that our missile units are practicing under conditions of electronic interference.

While not doubting the courage and resoluteness of the Serbian republic army and the Yugoslav Army, including the readiness for self-sacrifice in order to defend their states, we should nevertheless refrain from deluding ourselves that we could defeat the western allies in air combat. NATO has both technology and numbers on its side. Because of all this, the officers are advising wisdom and patience. However, if no other way out is found, counterattacks which would aid the victory of the defenders on the ground are a certainty.

Urgent Croat-Bosnian State Meeting Proposed

LD1105225193 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 11 May 93

[Text] The fifth session of the Defense and National Security Council, chaired by Croatian President Franjo Tudjman, was held this evening. The Council considered the situation arising from the renewed armed clashes between Croat and Muslim units in Bosnia-Herzegovina, especially because some media and international institutions are naming Croatia as also being responsible for these clashes.

The Council reiterates the already-known Croatian stands. It energetically calls on all Muslim and Croat units involved in the clashes to end hostilities immediately, because they harm both sides and benefit only the Serb-Montenegrin aggressor. The Council assesses it is necessary to start implementing as soon as possible the Vance-Owen plan wherever possible under the supervision of the international community and in line with the Muslim-Croat agreement signed in Zagreb 25 April.

The mentioned agreement defines the formation of joint commands of equally legal units of the Bosnia-Herzegovina army and the Croat Defense Council [HVO]; hence, it is astonishing to declare the HVO a paramilitary formation.

The Council maintains that, in order to reach peace and cooperation, it is necessary to form these joint commands as soon as possible. The agreement also envisages the formation of a coordination body comprising three leading representatives of both nations. It is also proposed that a session of this body is held right away, so that efforts are made at this level to help ease the clashes and prevent outbreaks of further hostilities.

The Council denies most resolutely reports of the involvement and presence of legal units of the Croatian Army. The Croatian side will do everything so that the Croatian-Turkish mission of good-will in Bosnia-Herzegovina starts work right away.

The Council decided to propose to Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, and Bosnia-Herzegovina Prime Minister Mile Akmadzic a meeting between Croatian and Bosnia-Herzegovina state delegations in Mostar as soon as possible and with the aim of influencing the clashes and removing hostilities between Muslim and Croat nations in Bosnia-Herzegovina.

The Croatian delegation will be headed by Croatian President Franjo Tudjman. The Croatian side proposes that the cochairmen of the conference on former Yugoslavia attend the meeting.

RSK Ministry Announces 14 May 'Pan-Serbian Assembly'

LD1105202593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1951 GMT 11 May 93

[Text] Knin, 11 May (TANJUG)—The Ministry of Foreign Affairs of the republic of Serb Krajina [RSK] issued a statement this evening disclosing that a Pan-Serbian assembly would be held in the Sava center in Belgrade on 14 May.

The statement, signed by RSK Foreign Minister Branko Filipovic, says the assembly was convened "on the basis of an agreement reached by representatives of the Serbian nation." The statement adds that all 82 deputies of the RSK Assembly have been invited to attend the Pan-Serbian assembly, as well as 82 deputies of the assembly of the Serb republic [in Bosnia-Herzegovina] and the Yugoslav Assembly deputies.

UN Official Urges Implementation of Peace Plan

LD1105191093 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 11 May 93

[Text] The permanent representative of the Republic of Croatia at the United Nations, Mario Nobilo, today sent a letter to UN Security Council President Yuriy Vorontsov. In his letter, Nobilo presents the Croatian Government's attitude to the current clashes between Croatian and Muslim forces in Bosnia-Herzegovina. The letter stresses that the Republic of Croatia firmly supports the Vance-Owen peace plan and every effort to restart the peace process in the area of Bosnia-Herzegovina. Croatia also condemns the renewed hostilities between members of the Croatian Defense Council's forces [HVO] and the Bosnia-Herzegovina army and calls for an immediate cease-fire.

The Republic of Croatia is aware that the tragic clashes between the Croatian and Muslim forces have overshadowed the fact that the Serbian aggression against the area of Bosnia-Herzegovina is still indisputable and is still the gravest threat to the Muslim and Croatian people in that country. This outbreak of violence continues to threaten the lives and property of the civilian population as it again thwarts the international community's efforts to force the Serbian side into accepting and implementating the peace plan.

Fikret Abdic, a member of the Presidency of the Republic of Bosnia-Herzegovina, who had received the firmest support of Muslim voters in Bosnia-Herzegovina, yesterday said in his public statement that all the Muslims who complained that the Vance-Owen plan had been designed to the detriment of the Muslim people and who want to redraw the plan by force were acting in direct opposition to the Muslim people. Abdic also stressed that the Vance-Owen plan for resolving the crisis in Bosnia-Herzegovina had no alternative, Nobilo notes and adds: As we have seen in the case of the latest

developments in Mostar and other areas in Bosnia-Herzegovina, any hesitation or delay in the implementation of the Vance-Owen plan makes the peace process even more complex. This is why the Croatian Government believes that the UN Security Council should immediately pledge its support to the Vance-Owwen peace plan and prepare measures to impose this plan, Mario Nobilo, the permanent representative of the Republic of Croatia at the United Nations, stressed in his letter to UN Security Council President Yuriy Vorontsov.

Government Statement on Bosnia Muslim-Croat Clashes

LD1105161493 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 11 May 93

[Text] In response to the latest Muslim-Croat clashes in certain areas in Bosnia-Herzegovina, the government of the Republic of Croatia wants to stress once again that it follows these tragic events with deep regret and invests great efforts into halting them as soon as possible. At the same time, the government stresses that it remains in favor of the principle of recognizing the independence and integrity of the Republic of Bosnia-Herzegovina, which clearly entails respect for the principle of noninterference in the internal affairs of that neighboring sovereign state.

The statement goes on to say: The Croatian Government condemns military actions by all sides in the conflict, which has acquired alarming proportions and brought severe consequences upon both nations. The government has therefore urged that all military commanders and units should immediately be ordered to halt hostilities and start cooperating in line with signed agreements.

The latest clashes between the Croats and Muslims are detrimental to these nations and to the restoration of peace in Bosnia- Herzegovina. At the same time, by promoting the conflict the aggressor Serb side is trying to strengthen its positions and create the feeling of alleged shared guilt in the international community.

In line with agreements reached earlier between the highest representatives of the Republic of Croatia and the Republic of Turkey on the formation of a joint Croatian-Turkish commission which will visit the Republic of Bosnia-Herzegovina, the government will encourage and speed up the departure of the commission and its effective presence in that state in order to calm the current clashes, while at the same time respecting the legitimacy of Bosnia- Herzegovina's bodies.

In line with its policy, the government of the Republic of Croatia has demanded that all sides in the conflict strictly observe international rules of war and humanitarian principles.

There are currently about 250,000 refugees from Bosnia-Herzegovina in the Republic of Croatia. The Croatian government guarantees that all refugees will be treated in the same way regardless of nationality, religion, or other characteristics, and regardless of the unfavorable events taking place in some parts of Bosnia-Herzegovina these days. This is said in the Croatian government's statement, signed by Prime Minister Nikica Valentic.

Russian Peace Envoy Churkin Arrives in Zagreb

LD1205094793 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 12 May 93

[Text] Special Russian peace envoy Vitaliy Churkin arrived in Zagreb this morning. At Zagreb airport, he was greeted by an assistant to the Croatian foreign minister, Smiljan Simac, and by Russian Ambassador to Croatia Leonid Kerestedzhiyants. Vitaliy Churkin will meet President Tudjman during the afternoon. He is expected to visit Knin and Sarajevo tomorrow.

Serbs Shell Zadar Hinterland

LD1105161993 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 11 May 93

[Report from Zadar by Bozidar Klaric]

[Text] Serb paramilitary formations were again active in the Zadar-Biograd area today. It all started around 1000 this morning, when Serb artillery attacked Croatian defense positions in Maslenica, which was shelled throughout the morning. Our positions in Jasenice and Islam Grcki were also attacked.

Serbs opened tank and artillery fire on the village of Policnik in the Ravni Kotari area from Zemunik Gornji, Biljani and the Debelo Brdo Hill early this afternoon. Following this, the Serb aggressor shelled the villages of Suhovare and Rovanjska in the Mount Velebit foothills. The Croatian Army was forced to return fire. It shelled only enemy military targets. The response was effective, and the Serb artillery fire gradually died down.

Zadar and Biograd were quiet today, but due to enemy activities in the hinterland, the general alert, first sounded 23 days ago, is still in force.

Damaged Nuclear Power Plant To Be Closed Temporarily

AU1205075493 Ljubljana Radio Slovenia Network in Slovene 1700 GMT 11 May 93

[Text] We have already reported that the Krsko nuclear power plan was shut down yesterday because of a leakage of the primary cooler in the tubes of the steam generator. A news conference was held in Krsko today in connection with this. It was stated at the news conference that the breakdown resulted in no undesirable radioactive emission into the environment and that the breakdown was graded 0 to 7 on the international scale.

The nuclear power plant is now in the process of normal cooling, and chemical treatment of the primary cooler has already started today as a preparation for the drainage of the primary circuit. This process is supposed to be finished by early morning tomorrow. The exact location of the damage to the tube will be established then, and the tube will be tested additionally. Other work, planned for a shorter shutdown of the plant in the middle of this year, will also be carried out on this occasion.

The representatives of the nuclear power plant at the news conference also said that the plant will be shut down for 10 to 14 days.

VIS Director Testifies Before Parliamentary Committee

93BA0956B Ljubljana DNEVNIK in Slovene 23 Apr 93 p 3

[Interview with VIS Director Janez Sirse by Robert Mecilosek; place and date not given: "Settling of Scores at a Low Level"]

[Text] *The "scandal" occurred because of desire to discredit Prime Minister Drnovsek.*

Ljubljana, 23 Apr—On Tuesday, at a meeting of the parliamentary commission for oversight over the work of the security and intelligence services, Janez Sirse, director of the Security-Information Service [VIS], explained several details about the scandals that have seriously upset the Slovene public in recent days. Facts are increasingly coming to light that are showing all these events in a completely different light, and the scandals are becoming political balloons.

At this time the VIS director has been mentioned several times as a person who was supposed to have been directly involved in the scandals, and that was the occasion for the interview with M.A. Janez Sirse, who spoke clearly for DNEVNIK and NEDELJSKI about the reasons leading to the numerous accusations (also) at his expense, and thereby also at the expense of the Slovene prime minister. In his opinion, it has to do with a combination of a sort of affront over electoral failures, procuring money for individual political parties, and influence in individual parts of the economy.

[Sirse] I think that the "scandal" occurred primarily because of a desire to discredit the prime minister as well through me. Bare insinuations about me were published, and consequently I can only classify all of it as a political settling of scores at a low level of culture.

[Mecilosek] The former minister of internal affairs stated a few days ago that the highest state leadership would also be informed about the investigation at HIT [firm].

[Sirse] The prime minister was not informed about all this, but they told me that they did not show me the "HIT dossier" because, in view of my presumed involvement in this case, I could destroy the documentation! I do not know why such documents were not turned over to the court or the parliamentary commission, if I was not supposed to see them, and it is even more unusual that they chose articles in several newspapers to discredit me.

[Mecilosek] After some events, would it be possible to conclude that a lot of material has "leaked" from the VIS recently, even though it should primarily be collected there?

[Sirse] That is true, and it was also determined by the prime minister's commission, which spent 60 days reviewing most of the service's operations. All sorts of material has reached the public through unusual channels, and in the future I will make an effort to keep it from happening anymore, since the VIS's task is completely different from helping to conduct individual polemics in the newspapers and starting scandals.

Further on in the conversation, Janez Sirse also spoke about the VIS as it ought to be, and answered several other accusations at his expense: What about membership in various boards of directors, the presumed cooperation with the heads of HIT, how he "got lost" with HIT director Danilo Kovacic during his recent trip to Venice, etc. That will all be covered in the next issue of NEDELJSKI.

Federal

'Secret Plan' for Attacks on Western Europe Reported

AU1205091393 Vienna NEUE KRONEN-ZEITUNG in German 12 May 93 p 3

[Claus Pandi/Gerhard Felbinger report: "Belgrade's Secret Plan for Western Military Intervention"]

[Text] Belgrade/Vienna—On Europe's special request, U.S. President Bill Clinton has postponed the decision on a military strike against the Serbs. The EC will give Milosevic a "last chance" and wait for the result of the Bosnian Serbs' referendum farce on the peace plan.

Although hardly any of the UN and EC observers currently proceed on the assumption that a Western military strike against the Serbs will take place, the generals in Belgrade have already been intensively preparing for a NATO intervention for some time. While official authorities are vehemently denying that the Army of the remainder of Yugoslavia has long-range missiles, secret reports of the Yugoslav General Staff mention modern weapons systems.

Belgrade's course of action in the event of a Western military attack is exactly defined. We quote from the Belgrade strategy paper:

—"In the event of an armed intervention, massive military strikes against Western Europe will be carried out first."

—"Calculations have shown that we will lose about 30 percent of the aircraft and about 35 percent of the soldiers as a result."

—"Without hesitation, all aircraft carriers in the Adriatic have to be sent to the bottom."

Leaders Urge Bosnian Serbs To Accept Peace Plan

LD1105170993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1727 GMT 11 May 93

[Text] Belgrade, 11 May (TANJUG)—In Belgrade a meeting was held today between the presidents of the republics, assemblies, and governments of Yugoslavia, Serbia, Montenegro, and the republic of Serb Krajina.

Dobrica Cosic, Slobodan Milosevic, Momir Bulatovic, Radoje Kontic, Goran Hadzic, Radoman Bozovic, Milos Radulovic, Zoran Lilic, Nikola Sainovic, Risto Vukcevic, and Mile Paspalj attended the meeting, it was announced.

Undoubtedly, the meeting concluded, the question of deciding on the peace plan is of utmost significance, not only for the Serbian people in Bosnia-Herzegovina, but for Serbia and Montenegro, Krajina, and for the Serb people as a whole.

Proceeding from their constitutional powers and responsibilities as well as from the standpoints of the people's assemblies of Serbia and Montenegro, the participants in the meeting recommended to the assembly of the Serb republic [in Bosnia-Herzegovina] that instead of staging a referendum in Bosnia-Herzegovina it should make a decision to accept the peace plan in Bosnia-Herzegovina at a joint session of deputies to the assemblies of the Federal Republic of Yugoslavia, the Republic of Serbia, the Republic of Montenegro, the Serb republic, and the republic of Serb Krajina; and that this decision, adopted in such a way, should be honored and implemented by the assembly of the Serbian republic. The joint session is scheduled for 14 May in Belgrade.

Prior to this meeting, there was also a meeting attended by the president of the Serb republic Radovan Karadzic, and president of the assembly of the Serb republic Momcilo Krajisnik, who were acquainted with this proposition and asked to convey it to the assembly of the Serb republic of Bosnia-Herzegovina.

Milosevic Statement

LD1105172093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1553 GMT 11 May 93

[Text] Belgrade, 11 May (TANJUG)—Serbian President Slobodan Milosevic today received TANJUG Director-General Slobodan Jovanovic, and on that occasion he has made the following statement:

In the past two years, the Republic of Serbia—by assisting Serbs outside Serbia—has forced its economy to make massive efforts and its citizens to make substantial sacrifices. These efforts and sacrifices are now reaching the limits of endurance. The largest part of the assistance was sent to people and fighters in Bosnia-Herzegovina; however, a substantial amount of aid was given to 500,000 refugees in Serbia. Meanwhile, because of its solidarity with and assistance to Serbs in Bosnia-Herzegovina, Serbia is now subjected to brutal international sanctions. Today there can be no comparison between us and any other country in the world—or very few countries at least—in terms of economic and general difficulties we face. Clearly, we were aware we would face these difficulties when deciding to provide assistance to Serbs who were in war.

Now conditions for peace have been created in Bosnia. Following a year of war and long-term peace negotiations, Serbs have gained their freedom and have recouped the equality which was taken from them when they started the war. The largest part of the territory in former Bosnia-Herzegovina now belongs to Serb provinces. This is a sufficient reason to halt the war and to address any further misunderstandings through negotiations and by peaceful means.

The signing of the peace plan is an act of good will, which ends the war and opens peaceful negotiations between the three warring sides in Bosnia, the neighboring republics of former Yugoslavia, and the international community. This is not an end to negotiations about relations between Serbs, Muslims, and Croats, but it is an end to

the war. Hence, we in Yugoslavia and Serbia have appealed to the Serbs in Bosnia to support an end to the war and to embark upon the road to peace by signing the plan. Serbs in Bosnia, as well as Serbs and all other citizens of Serbia, now really do need peace.

Serbia finds it difficult to sustain the burden of great assistance which goes to Bosnia and at the same time sustain the sanctions that have been imposed upon Serbia due to its solidarity with Serbs outside Serbia. There is no reason for Serbia to sustain it if the war in Bosnia stops. We have of course not excluded further humanitarian aid to the population of Bosnia-Herzegovina, but the people there will in peace-time become capable of rebuilding their economy and assuming care for their own lives.

Serbia urgently needs peace in Bosnia. When the current great sacrifices are over and sanctions are lifted, Serbia will soon recover—tensions will ease, the standard [of living] will increase, and the burden of uncertainty and fear from war and poverty will be removed from the citizens. The interest of 10 million citizens of Serbia must now have priority. This interest cannot be used to help any other cause, especially if this interest of Serbia's citizens is existential and extremely jeopardized.

Serbia has lent a great, great deal of assistance to the Serbs in Bosnia. Owing to that assistance they have achieved most of what they wanted. Serbia must now begin to take care of itself: concentrating primarily on the revival and the development of its industry and economy, increasing the [living] standard of its citizens and the care to protect them from violence and crime which are also a consequence of the war and of the great and uncontrolled flow of population between the two republics. I therefore believe that the support for the peace plan is a real support for peace—which is of the highest existential importance for Serbia, for its citizens, and for every citizen of Serbia. Only he who is not moved by the interests of Serbia and people living in it, but by some other personal or group interests can not see and not accept this. No one who considers the interests of Serbia and its citizens as subordinate to his own interests can count on our understanding and our support.

The decision on the peace plan concerns the interests of Yugoslavia, Serbia and Montenegro, Krajina [in Croatia] and the Serb republic [in Bosnia-Herzegovina], all citizens of the whole Serbian nation—not only the Assembly and the citizens of the Serb republic.

Therefore, I believe the decision on this cannot be made just by the citizens of the Serb republic; rather, it must be made by all the people's representatives elected into the parliaments of Yugoslavia, Serbia, Montenegro, Krajina and the Serb republic—equally and with the full respect for the interests of their citizens and the Serbian nation for peace, freedom, equality, and against war and violence.

Seselj on Conflict With Ruling Party, Milosevic

AU1205084693 Belgrade BORBA in Serbo-Croatian 5 May 93 p 7

[Miroslav Mikuljanac report on interview with Vojislav Seselj, leader of the Serbian Radical Party; place and date not given: "Seselj: Milosevic Is Losing Credit Among Real Patriots"]

[Text] For a long time Vojislav Seselj was running his race at Slobodan Milosevic's tail, so many people thought that the two of them belonged to the same team, and that there would be no attempts to outrun Milosevic. However, some rules of sport seem to apply also to politics. Seselj waited for the leader's motor to slow down on the Vance-Owen plan, and set about getting ahead of Milosevic. Many people think, however, that the road is too slippery, and that both contestants are taking a deadly curve at very high speed.

While the president of Serbia was alighting from the plane, smilingly informing the nation that a historic success had been achieved in Athens, that the Vance-Owen plan ought to be signed, and that a just peace and loosening of the sanctions were to come afterward, Vojislav Seselj was touring throughout Herzegovina, Baranja, Semberija, and Montenegro, detecting the mood of the people and representatives of the Serbian republic, and convincing himself and others that the peace plan must be resisted.

Who did a better job, or rather whether the assembly of the Serbian republic says yes or no, or if it washes its hands of the referendum, remains to be seen, however, the leader of the Serbian radicals is still self-assured, and confident in his opinion:

"Serbs outside Serbia are unanimously against signing the Vance-Owen peace plan. At the meetings in Beli Manastir, Trebinje, and Pljevlja we managed to amass more than 20,000 people, and we felt that atmosphere. Everything is clear to the people. There is a certain fear of being bombed; however, the fear of capitulation is much greater. I am convinced that there is a similar atmosphere also in Serbia, where three-fourths of the people are against that plan. Only in Belgrade is the situation perhaps somewhat different; however, the orchestrated media are trying to impose the opposite impression. Still, the people instinctively feel what is going on," Seselj says to BORBA.

The chairman of the Serbian Radical Party [SRS] has been convinced for quite a long time that he knows what has been prepared for the Serbs. He forecasts that after the Bosnian Serbs' signature there will follow demands for the recognition of Croatia in the borders determined by AVNOJ [Anti-Fascist Council of National Liberation of Yugoslavia], for the autonomy of Sandzak, Kosovo, and Vojvodina, for a change of leadership, while all that time the sanctions will linger on, or will perhaps even be tightened. "Since the situation is already as such, it would have been better if the representatives of the FRY

had said that the war in Bosnia was none of their business. They should have invited the people to persevere, they should have introduced a state of emergency, and some additional measures to make us survive.

Remember what I am saying to you—the sanctions will last for the next several years, in any case. Nobody believes that now; however, in four or five years you will remember what I said," Seselj claims.

The Socialist Party of Serbia [SPS] was well prepared for Seselj's going astray: The media space that had been generously allotted to the radicals earlier was gradually restricted, while since the Athens negotiations it has been almost entirely blocked. It is supposed that some of Milosevic's harsh words (in the interview to Radio-Television Serbia) referred also to the chairman of the SRS.

"I really do not know what Milosevic's message might be there. I did not understand his words that way. Besides, I do not render any accounts regarding my work to Milosevic, but exclusively to my party. I am a member of the opposition. Our attitude toward the SPS up to now was a one-way street. We occasionally supported them in some crucial and critical situations, while what we acquired from them was only difficulties. We have the worst work conditions, the worst facilities, the least media space; however, we have a homogeneous membership, and we have become accustomed to the media embargo, so we shall endure, while they will have great trouble explaining to their membership a sudden change in their attitude toward the Bosnian issue," Seselj claims.

The leader of the radicals is not worried too much about the media. He does not want to comment on the stories about his people being removed from the broadcasts of the Radio-Television Belgrade. As for the rumors that Vucelic [director of the Radio-Television Serbia] ordered that the information about the SRS should only be read by announcers (that is to say, without pictures or sound), Seselj promptly says that "it was not him who ordered that, but the SPS."

Quite casually, convinced that everything is under control, Seselj comments on the tense relations between the SRS and the ruling party: "We are not worried about the socialists' attitude toward us becoming more severe; we even find it very suitable. The allegations that we support any issue of theirs and on any occasion became quite embarrassing for us. We supported them so long as they were cheering 'Serbia will not bend,' and so long as they were acting that way. Now, when Serbia has been forced not only into bending, but also into kneeling, the SPS cannot count on our support," Seselj resolutely says.

Seselj quite clearly sees the future of the SPS: "They cannot remain in power in the long run in any case, because they have proved themselves unsuccessful both in economic and social issues. Now, Milosevic has managed to win over the Democratic Party and the Democratic Movement of Serbia; however, it is a short-range strategy. The next move of his 'allies' will be to break his neck. Milosevic is losing credit among the real patriots. He has not acquired new friends, but he has made his old friends waver, or even abandon him. That is a very unfavorable position for the president of the republic."

For his erstwhile friends, Seselj still has some words of solace: "The SRS will come to power only by parliamentary means, through elections. We shall call the people to an armed uprising only in the case that somebody tries to make Montenegro, Kosovo, Vojvodina, or Sandzak secede, or if somebody makes a coup, and establishes a puppet regime. We will come to power only through democratic elections. In that respect, we shall remain a loyal opposition party."

[Box, p 7]

"Biljana Plavsic Is Not a Serious Politician"

[BORBA] How would you comment on the acceptance of the Vance-Owen plan in Athens?

[Seselj] That was a mistake. That plan should not have been initialed. As long as the sanctions are in force, and pressures are exerted, no negotiations should be attended. The more we yield, the more their appetites swell.

[BORBA] You think that yielding is not good?

[Seselj] Such a policy proved itself fatal through history. We are now weaker than in June last year, while in six months we shall be even weaker. They have time and patience, and are not giving up.

[BORBA] How did it come to a turn in the Serbian attitude?

[Seselj] Three presidents feared for the country's destiny under military threat. Their concern is understandable. I do not think that is a betrayal, however, there are moments in politics when one should be resolved and courageous, rather than wise and smart. They did not prove themselves courageous and resolved enough.

[BORBA] What is your comment on the statement made by Biljana Plavsic, and Milosevic's reaction to that statement?

[Seselj] She is not a serious politician whom we should discuss. That very clumsy statement of hers caused Milosevic to attack her, and I think that he justifiably attacked her.

[BORBA] What will happen if the assembly of the Serbian republic says yes?

[Seselj] Then the Serbs will lose Foca, Visegrad, Derventa, Modrica, Bosanski Novi, Bosanski Samac, Zvornik, Doboj, Jajce, Vlasenica, Odzak, and almost the entire region of Posavina. That is to say, Serbs will lose almost half of the territory they control now, with more than half a million citizens.

[BORBA] What if the Assembly says no?

[Seselj] We shall support the Bosnian Serbs, and help them out as much as we can; however, we shall demand that the FRY stop meddling in the internal affairs of our neighboring countries, as it is doing now. The medical and humanitarian aid has to continue. It cannot be discontinued, in any case, while they have to wage the war alone, as they have done so far.

[BORBA] What if somebody still tries to discontinue that aid?

[Seselj] That would be a criminal act, and I do not believe that such a thing would happen.

[BORBA] What will happen if a foreign military intervention follows?

[Seselj] This has been a positional warfare so far. If an intervention were to follow, the war would turn into a merciless war, in which nobody would be spared, not even UNPROFOR....

Domestic Traffic Through Danube Blocked

LD1105141393 Belgrade TANJUG in English 1349 GMT 11 May 93

[Text] Belgrade, May 11 (TANJUG)—Traffic in the part of the Danube flowing through the Federal Republic of Yugoslavia (F.R.Y.) completely halted after the U.N. Security Council imposed tougher sanctions on the F.R.Y., Deputy Minister of Transportation and Communications Vojislav Micunovic said on Tuesday.

Very few foreign ships have passed through the Yugoslav part of the Danube since April 26, when Security Council Resolution 820 came into force, Micunovic told TANJUG.

One-third of the Yugoslav river fleet is anchored, since the Romanians are strictly abiding by Resolution 820 and banning Yugoslav ships passage through the Romanian lock of the Yugoslav-Romanian "Djerdap" river dam, Micunovic said.

Domestic traffic cannot be restored in the part of the Danube which forms the Yugoslav-Romanian border, because the Romanians are not allowing Yugoslav vessels passage through the lock between the Kladovo and Prahovo ports on the Yugoslav bank.

The Yugoslav government asked the UN Security Council to allow Yugoslav ships passage from Prahovo to Kladovo because cabotage [word as received] transportation was in question. The Security Council has not replied yet, Micunovic said.

Micunovic drew attention to the tremendous losses incurred on shippers of all Danube countries, recalling that river transportation was the cheapest type of transportation.

The shift of cargo transportation to the railways and roads via Hungary, Romania and Bulgaria considerably raised the price of services in this field and the Yugoslav ministry hopes that all economists and shippers in Danube countries will soon urge the free traffic of goods on that international river.

The U.N. Security Council introduced comprehensive sanctions against the F.R.Y. last May because of its alleged involvement in the civil war raging in the former Yugoslav Republic of Bosnia-Herzegovina. It toughened the sanctions on April 26 this year because the Bosnian Serbs rejected the ultimatum to sign the Vance-Owen plan for Bosnia-Herzegovina.

Milosevic's Role in Disintegration of KOS

93BA0976A Zagreb GLOBUS in Serbo-Croatian 16 Apr 93 pp 9-10

[Article by Karlo Jeger: "Milosevic Finished Off KOS!"]

[Excerpts] There have been large and important changes in the Army of Yugoslavia [VJ] in recent weeks. All the most responsible posts in the intelligence services of the Army of Yugoslavia have been taken by people in whom Slobodan Milosevic has particular confidence, thereby completing a process which he began a few years ago in the JNA [Yugoslav People's Army]: The Yugoslav Army has once and for all become the private army of Slobodan Milosevic and his associates, and it is commanded by the new chief of the OBU [Intelligence-Security Administration], the most powerful man in the Army of Yugoslavia, General Nedeljko Boskovic, and Bozidar Stevanovic, commander of the Air Force, who no later than this fall will replace Gen. Zivota Panic in the post of chief of the Yugoslav General Staff.

In order to take complete control of the Army, Milosevic first had to take over the military counterintelligence service and then put in place new commanders loyal to him. It is important to say that Milosevic had many enemies among the officers of the former JNA.

The military counterintelligence service pointed up the "danger" of Milosevic for the first time after his talks with Gorbachev, during the latter's visit to Belgrade. No one, neither the military nor the civilian intelligence and counterintelligence services, knew the content of the talks between Milosevic and the top man of the USSR. Gen. Ilija Djukic, who at that time was chief of the Security Administration of the JNA, warned that Milosevic could engage in political activity independently of the top federal leadership. The official memo contained everything that KOS [Counterintelligence Service] and the federal SDB [State Security Service] knew about those talks. That act by Gen. Djukic resulted in his removal and the appointment of Gen. Marko Negovanovic to head the most powerful organization in the JNA. Negovanovic, who came to KOS from the Political Administration, behaved like a political commissar; all activities were directed toward the fight against Albanian irredentism and Croatian and Slovene "nationalism." With an orientation toward Serbian expansionism, but fully adept at the methods and operating style of the secret services, he went to head the Political Administration of the Yugoslav Defense Ministry, and his place was taken

by Gen. Aleksandar Vasiljevic. Today, it is well-known that Vasiljevic was involved in all the secret terrorist actions of KOS: He organized his own espionage network and attempted to infiltrate all the organizations of the civilian authority of the former Yugoslav republics.

KOS Infiltration of Civilian Government

KOS did not have the authority to control civil authorities, but after the Agrokomerc scandal it was concluded at the federal level that the republic state security services at that time were trying to protect the interest of their respective republics and that KOS was the only institution loyal to the top federal military and political leadership.

The KOS infiltration of the realm of civilian authority, which began back in Rankovic's time, reached its high point under Gen. Vasiljevic, who organized the shadowing and spying on the most influential people in the secessionist republics (the film about Spegelj, good ties with Delimustafic, who at that time headed the Bosnian MUP [Ministry of Internal Affairs]) and he also shadowed and bugged Milosevic's people for the purposes of the federal defense secretary. [passage omitted]

With Vasiljevic's departure, the military counterintelligence service was purged of Yugounitarists, potential Montenegrin separatists, sympathizers of the Serbian opposition, and people who were against the Serbian paramilitary formations running wild (such as Ljubisa Beara, former chief of the Air Defense Security Service, who ordered the killing of two of Seselj's volunteers), and, of course, figures of non-Serbian nationality who came from the secessionist republics.

The general "housecleaning" of KOS was entrusted to Gen. Nedeljko Boskovic, a former member of the service who was reactivated. This dirty and cruel former member of KOS was retired early while unified Yugoslavia still existed because of his criminal acts and open activity in favor of Serbian expansionism. Boskovic was considered an extremist even by people from the top military leadership at that time, which was headed by Veljko Kadijevic. [passage omitted]

Following the purge of KOS personnel, the reorganization of the service itself began.

In the former JNA, the Second Administration, better known as the Security Administration, was directly subordinate to the defense minister. Because Pavle Bulatovic, from Montenegro, has been put in the post of defense minister in the new government, the Serbs could not allow him to control the intelligence service. Now, the Second Administration (Security Administration) is subordinate not to the defense minister, but to the General Staff, and the federal government and its minister are given the job of obtaining the money to finance the Army.

The New Top-Level Military-Intelligence Post

When the secret services of the Army of Yugoslavia were reorganized, a new top-level post in military intelligence was created. Gen. Boskovic, a man in whom Milosevic obviously places great confidence, and an admirer of his since back in the days of the antibureaucratic revolution, was put in the military post from which the counterintelligence and intelligence services of the Army of Yugoslavia are directly administered. That means that he has under his personal supervision all military intelligence and police officers, intelligence and counterintelligence teams, special units for commando and terrorist operations, the military espionage network within the country and abroad, and institutions for the training, planning, and preparation of operations by the secret military services.

Most espionage activities, the shadowing and assassination of political opponents, shady deals in the selling of arms, and cooperation with terrorist organizations were carried on by a civilian department with the harmless name of Research and Documentation Department, which was directly subordinate to the assistant federal minister for foreign affairs, but organizationally was tied to the federal State Security Service.

The new distribution of roles in embassies gave the military and civilian sectors of the secret services equal authority and power.

The intelligence-security center in Pancevo, better known as Military Post Office 5000, where all military security entities, members of counterintelligence and commando groups, military intelligence operatives, and members of foreign armed forces (mostly from Libya, Palestine, and Iraq) were trained, is now directly subordinate to Gen. Boskovic as well. The Security Institute in Banjica is also under his direct command. Since its formation in 1986, this institution has been preparing and providing material and theoretical support to the operation of secret military services. Special warfare and psychological-propaganda activity are a particular effort carried on by this institute. This is also where research was done and special espionage and terrorist equipment were produced, various eavesdropping devices, terrorist and commando tools, special weapons for assassination, and so on. A recent well-known invention was an up-to-date device to open pieces of mail, especially diplomatic mail.

When the process of disintegration of the former joint state began, there was also an extensive disintegration of the federal MUP and its most powerful part, the Federal State Security Service. The most valuable thing that has remained of that service is its archives and documentation, where all data were kept on those who worked with the service, operatives, secret connections and operations, figures on all shady business done by that department within the country and abroad.

While the process of taking over the military secret services was going on, Milosevic's people took authority over the federal SDB "in an assault." With the help of Mihajlo Kertes, chief of state security just removed, the special police of the Serbian MUP simply occupied and forcibly took into their own hands all the stored material of the SDB.

Following these changes in personnel and organization, the situation is this: Gen. Boskovic controls all the secret military services, and the influence of the civilian defense minister is reduced to nothing more than obtaining money. Gen. Ljubomir Domazetovic, another Milosevic man, heads the Personnel Administration of the Defense Ministry, which controls personnel policy throughout the Army, Djordje Blagojevic heads the federal MUP, but the real power is in the hands of Zoran Sokolovic, Serbian minister of internal affairs, and all the affairs of the civilian secret services abroad are controlled by Vladislav Jovanovic, federal foreign minister and a loyal follower of Milosevic.

Basic Principle of Operation Violated

The general housecleaning within the secret services, and especially the defeated and demoralized Army, undoubtedly had an impact on its quality and capability. In purging KOS, Nedeljko Boskovic violated one of the basic operating principles of all secret services: Protect those with whom you work from the public. However, Boskovic's people not only beat the hell out of their former colleagues, they also denounced them in public. They thus lost a large network of their former collaborators and made it more difficult to find and recruit new ones.

In all Serbian analyses, the basic error of KOS was an erroneous assessment of the enemy's strength and numbers. Former officers of KOS are reproached with having been outsmarted by Croatian intelligence agents, who assured them that the MUP and ZNG [National Guard Corps] were much stronger at the beginning of the war than they really were. For the same reasons, the military counterintelligence service is now headed by Gen. Radinovic, who in the former JNA was known as a person with the highest prestige among theoreticians of the military art. This former officer in the engineers, who had defended his doctoral dissertation, headed the Department of Strategy in the Center of University-Level Military Schools and later was the chief of the Center for Strategic Research of the JNA.

Stevanovic Will Replace Panic

Radovanovic will undoubtedly need quite a bit of time to mend the destroyed counterintelligence network and develop a new one. The creation of new services is a painstaking task that requires many years.

The question arises of why Milosevic needed such deep incisions within the military secret services; there can be no doubt that he weakened their power thereby.

Assuming that new campaigns of conquest are coming to an end, the Serbian leader is concentrating all energies on consolidating power within Serbia and Yugoslavia.

Like any dictator, Milosevic has created two independent military services (military and civilian), whose spheres of operation in the FRY and outside its borders coincide almost entirely. The services are competitive with one another, and Milosevic controls them both.

The next principle that guided Milosevic's people in the purges of KOS is party loyalty to the Socialist Party. One of the main issues that has been a concern of those researching the Opera Affair is whether the accused members and collaborators of KOS had ties to opposition leader Micunovic. Milosevic wants an Army which is completely ready to take tanks into the street to protect his power.

The neutral public stance of Zivota Panic, chief of the General Staff, in the recent Serbian elections, according to reports coming from Belgrade, will probably cost him his post. In the fall, Zivota Panic is expected to retire, and he will be replaced by Gen. Bozidar Stevanovic, who now heads the RV i PVO [Air Force and Air Defense]. Unlike Gen. Panic, in his public statements and even during the silence of the election campaign he openly supported the incumbent Serbian party, placing himself exclusively on the side of the "patriotic forces."

With his complete power over the Army and police, Milosevic will not only hinder the Serbian opposition, but will cruelly smother any possible attempt at the independence of Montenegro, which is suffering much more than Serbia under the economic sanctions and has been openly expressing its dissatisfaction because of those sanctions.

It is difficult to forecast how events will develop in the future, but one thing is certain: The totalitarian regime, with concentration of power in the hands of one man, such as Milosevic now possesses, is destroyed from within only very slowly and with great difficulty.

Division in HDZ Seen Increasing

93BA0957A Belgrade POLITIKA in Serbo-Croatian 25 Apr 93 p 6

[Article by Radoje Arsenic: "What the 'Boljkovac Affair' Has Shown: Like the Boss Says"]

[Text] *The political affair surrounding the election and subsequent ouster of Josip Boljkovac from the post of zupan of Karlovac Zupanija is an indication of the deepening rift within the ranks of the ruling HDZ [Croatian Democratic Community], where people with roots in the Partisan days are currently in retreat while those who favor continuity with the NDH [Independent State of Croatia—1941-1945] are becoming increasingly influential.*

Zagreb, 24 Apr—The election and subsequent resignation of Josip Boljkovac from the post of zupan of Karlovac Zupanija is attracting a great deal of attention among the Croatian political public, because this affair is being used to "read" a great deal of the very structure of the current political system in this republic.

For example, it has been unmistakably affirmed once again that all authority in Croatia is concentrated in one place—in the closest circle of the ruling party (HDZ), and that in turn means in the hands of its chairman, Tudjman, while everything else in the field plays a puppet role.

This arrangement was momentarily disrupted by the zupanija assembly in Karlovac, when as many as one-third of the HDZ delegates (the HDZ has 21 of the 40 total seats) joined an initiative by the opposition parties to elect Josip Boljkovac as zupan instead of Mijo Paic, as ordered by the HDZ leadership in Zagreb. This provoked consternation among the HDZ leadership, because besides the obvious disobedience by the party rank and file, it pointed out the danger that others may become disobedient, and in any event cracks were already visible in the seemingly monolithic HDZ wall.

Line of Division

Through its vice chairman, Vladimir Seks, the HDZ leadership reacted sharply, calling for discipline by its members and even issuing threats concerning the concrete consequences of behavior to the contrary. The message was quite clear, so that Boljkovac, after two meetings with Tudjman behind closed doors, resigned from the post of zupan, which he had not yet even assumed (indeed, under the Constitution the approval of the president of the republic is necessary "in any event" for each zupan election), so that the elections will be repeated. The fate of the disobedient HDZ delegates (primarily from Slunj and Saborsko) is still unknown, but the chairman of that party from Karlovac is to announce "measures for violations of party discipline."

Josip Boljkovac—whom Tudjman in fact recently appointed deputy to the Assembly's House of Zupanijas, where he is also chairman of the National Security Committee, and who was also recently made the vice chairman of the state committee for normalization of Croatian-Serbian relations—noted in his resignation that he "accepts the president's suggestion concerning resignation from the position of zupan," which only confirms how a government actually functions where the actual will of the citizens and of their representatives is not even important.

No matter how matters continue to unfold, the "Boljkovac affair" has shown something else—the deep differences and accordingly the increasingly frequent conflict between the two basic lines within the HDZ: those who find their roots in the NOB [People's Liberation Struggle—Partisan movement] and those who prefer continuity with the NDH. In Croatian public discourse, this increasingly open conflict is already being called, as a simplification, the "struggle between Partisans and Ustashi" in Croatian Government circles.

Boljkovac, who was a Partisan in the Karlovac region and has spent the majority of his career in posts at the former SUP [Secretariat of Internal Affairs] (he has also been the president of Karlovac Opstina), was in the closest circle of Tudjman associates upon the founding of the HDZ and the establishment of its authority after the 1990 elections. Like some of his predecessors, however, he too was moved out of operative posts and sent to the purely "political sphere." When one considers that this also happened to Gen. Martin Spegelj, to his successor Antun Tus, and then to Tudjman's firmest mainstay, Josip Manolic, together with a large number of their associates, then it is quite clear that for some reason Tudjman has put this Partisan and antifascist faction in the second row. At the same time, not one of the already well-known, so-called HDZ "hawks" has been moved from operative posts; indeed, some of them (like Glavas) have even been promoted.

Mutual Threats

What this means in practice remains to be seen, but it is a fact that sparks are flying increasingly within the HDZ, while at the moment the most sensitive point of contact between them is the open conflict between Boljkovac and Vice Vukojevic, or "Sphinx," as he is called by the public, because very few people have ever seen him smile. Recently there was a public clash between Stipe Mesic and Vladimir Seks, formally concerning the general director of "Croatia Insurance."

Open attacks on Boljkovac began not long ago, when he publicly opposed the increasingly evident trend of letting the "NDH" genie out of the bottle, which he considers an attack on Croatia's reputation. It was adequate for the very agile Branimir Donat, for example, to call him "Boljkovac from the Bolshevik primer," while the furthest step was taken by the aforementioned Vice Vukojevic, who described him in an interview with VECERNJI LIST as "a ghost from the past."

In the interview, in which he notes, for example, that there is "no chance" of territorial autonomy for the Serbs, Vukojevic says:

"We have opted for a democratic Croatian state, and it cannot be an ideological state—neither communist nor anticommunist, neither fascist nor antifascist, because democracy shatters all of that. But Mr. Boljkovac is trying to make the Croatian state into an ideological state. Boljkovac is in conflict with the HDZ, and if such a conflict has come about, then it can only be concluded that he is no longer a member of the party."

Boljkovac has not remained silent either, so that in an interview with GLOBUS he circulated a charge against the entire extremist faction in the HDZ, contending that they are somehow responsible for the escalation of the war in Croatia. Discussing the beginning of the establishment of the new government in Croatia, he says:

"Even then, we were drawn toward ruin by various Vukojevics and Sekses and pushed into general war. There are certain things that I still do not wish to make public, because it is not yet time for that, but if this costs me my head—and I must say that now is such a situation—there are documents that show who first offered a hand to the Serb eagles in beginning to destroy Croatia. We know who was involved in this, but I do not want to make that public yet, because in so doing I would be harming Croatia and President Tudjman."

Thus, Boljkovac—who was Tudjman's first minister of internal affairs—presages even more interesting subjects, which most likely will not be inconsequential.

Placing the young chairman of the Executive Council of the HDZ, Pasalic, on that team, Boljkovac has this to say to Tudjman:

"Tudjman must renounce these extremists who want to betray and ruin him, just as his extremist ministers who were unable to think in the long run brought about Pavelic's ruin.

"But this must not happen to Croatia again, we must not allow it. We fully support President Tudjman and his program, but he must consider with whom he is to associate. He must get rid of Vukojevic and Seks, who are not pure and who do not understand the place and times in which they live."

Asked about Vukojevic's assertion that he has documents that could discredit "many leading HDZ figures that belong to your political faction in the party" on the basis of economic crimes, Boljkovac says:

"I can confirm in a responsible manner that the esteemed gentlemen and my dear friends Nikica Valentic, Franjo Greguric, Mladen Vedris, Stipe Mesic, Josip Manolic, and Dalibor Kozacevic have all given everything they could for Croatia, that they suffered politically for the Croatian cause in 1971. Our esteemed President Tudjman does not have any better friends and more loyal associates than us, and I tell him to do everything possible to keep these friends. Because those others will lead him to ruin, and they are out to get him, as well as us. Those people are not normal and I do not know what they want."

Boljkovac is not just whistling Dixie, he also accuses Vukojevic and his associations of the following: "Vukojevic is one of the people who have violated the laws of the Croatian state and its legal order, who did not want a rule-of-law state, and when we reveal what they have done, they should be taken to court for it. If I am not around at the time, we have it all written down and documented. They sent one Croatian citizen into the Croatian armed forces when a friendly country extradited him to us so that he could serve his sentence here. And that is unacceptable, because that person was sentenced to life imprisonment for terrorism in that country, and they extradited him to us because it would be easier for him to serve his sentence in this country. That is a criminal act under international law, while it destroys Croatia's reputation in the world and lead it into anarchy."

Thus, in the mutual struggle for power within the ruling party, information on the deeds of the actors in the anti-Yugoslav rebellion and secession are slowly beginning to come to light, about which much more will be heard, judging from all indications.

Business, Military Deals With Israel Alleged

93BA0956A Ljubljana DELO in Slovene 19 Apr 93 p 5

[Article by Kresimir Meler: "Settling Scores With the Disobedient Ones as an Overture"]

[Text] From our colleague.

Finally, what almost no one expected has happened. The settling of scores with the disobedient and questionable, which Milosevic started with the dismissals in the republic of Serbian Krajina [RSK], was, as is now obvious, only an overture to strengthening the political, financial, and military authorities in the FRY. After the arrest of former Serbian Economic Minister Sava Vlajkovic and the murder of Radovan Nikolic, director of Jugodrvo, the purges have also spread to the states and business partners with which the Serbian and Yugoslav governments and army did business through "Boss Jezda."

It started when Mossad agent Gabby Elad sent the Yugoslav Army's Security Administration and the Serbian State Security Service a message according to which "groups and individuals from the FRY and Serbia were in the Association of Immigrants from Yugoslavia who were systematically acting both against the interests of Jewish emigrants and against the interests of the host country (Israel). There is evidence that the president of that association, Gerson Kaponi, abused his position, and in serving as a middleman and charging commissions for the legal and illegal employment of workers from Serbia, concluding transactions between Serbian and Israeli construction enterprises, and also in serving as a middleman in the purchase of weapons, ignored the registered enterprises and individuals, and through the accounts of Jewish emigrants from Yugoslavia, appropriated at least U.S. $15 million. In these contacts and transactions, he cooperated closely with Economic Minister Sava Vlajkovic, and also with Skopje's Alkaloid and the Profako company. In that way Kaponi employed workers through Vlajkovic's DS Company in Belgrade. He did not just employ workers, however, from whom he collected 10 percent of their earnings, but also, through Skopje's Alkoloid and Ljupco Stojkovski's private company Bujoto, traded in medicines, candy, and oil, avoiding Jugoskandik and Interexport."

In the opinion of the Israeli intelligence officer, Kaponi's sins still do not end there. Allegedly, on orders from General Aleksandar Vasiljevic, he also cooperated with Viktorija David and Patricija Knezevic, who were charged a while ago in Israel of spying on behalf of the PLO and are alleged now connected with the Croatian intelligence service, to which they sold all the information that they received from Kaponi.

Where Are the 50 Tons of Oil and the Weapons?

The best usually comes at the end, and thus the Serbian Jew was attributed with having stolen 50 tons of oil and a large amount of heavy weapons from the Yugoslav Army and Serbia. Reliable and well-informed sources state that he took the money from the account of the Serbian-Jewish

Friendship Society and the Captain Dragan Fund, as if the weapons had already been purchased and sent. Kaponi, however, sold them to a certain private Turkish enterprise and put the money in his own pocket.

At the same time, he started to talk a bit too much about his business, and also about the business of other Israeli business and political circles with the Serbian authorities and the Yugoslav Army. That talk extremely upset both Milosevic and Vasiljevic and the Yugoslav Army's Security Administration, since it was thanks to Aleksandar Vasiljevic and several other forcibly retired generals that Kaponi obtained the contents of telephone conversations between several generals, Israeli politicians, and the office of Serbian Defense Minister Tomislav Simovic. The contents of these conversations dealt with opening two special accounts, one at Jugoskandik and the other in the Karic Bank, which were intended for "collecting funds for the defense of Serbia and the protection of the Serbian people in the republics of the former Yugoslavia." The largest amounts were forwarded by "Boss Jezda," Dafina Milanovic, and the Vienna branch of her enterprise Dafiment.

Furthermore, Vasiljevic, with the permission of Tomislav Simovic and Slobodan Milosevic, contacted former Israeli Supreme Sephardic Rabbi Ovadi Yosef, the mentor of the extremist religious party Shas, and Interior Minister Arje Derfi in the Israeli Government, who remained in the government only because he set the Labor members the condition that he would only support them if they did not start an investigation of him for the abuse of state funds. The purpose of these contacts was to hire "on the open market" a certain number of commandos, also known by the nickname "dogs of war," and instructors who would train Serbian volunteers.

The Israeli Army Also Participated in the "Dogs of War Operation"

Of course, the Israeli Army also had to participate in this, and consequently "Boss Jezda," in addition to high-level Mossad officials Gabby Ellad and Eliah ben Ellazar, also had contacts with a world-famous expert on special paramilitary commando actions, Jean Benks, and with Israeli Army Colonel Isaac Morlen, who recommended to him his friend Daniel Sneden, alias Dragan Vasiljkovic, who, as a mercenary (also of the Israeli) Army had already trained special paramilitary units in several African states and the former USSR, and was also connected with Mossad.

They also agreed on the method of financing. Yosef, Arye Derfi, and Shmuel ben Yosef David, who had good business ties with "Boss Jezda" and Mossad, agreed that "for the defense of the Jewish people against genocide" they would use party money to support the Serbian-Jewish Friendship Society, the Association of Jewish Immigrants From Yugoslavia, and several other funds, which were actually discretionary funds for the FRY and the Yugoslav Army's Security Administration, as well as the Serbian and Yugoslav State Security Services. According to reliable sources in Israel and Belgrade, these transfers of funds were portrayed as various forms of humanitarian aid and expenses, which meant tax breaks. They also agreed on the purchase of weapons and military equipment, including surface-to-surface missiles with a range of up to 1,200 km, spare parts for aircraft and tanks, new aircraft and tanks, and also surface-to-air missiles and the "Maverick."

Of course, Kaponi did not start to threaten that he would publish all this information just because he might have suddenly repented. The reason was much more prosaic: He was no longer satisfied with the percentage that he received for the services he rendered Serbia. In fact, we must not forget that Kaponi, in addition to "Boss Jezda" and the above-mentioned people, deserved the most credit for the cancellation of Croatian President Tudjman's visit to Israel, and also for the alliance of Serbian and Israeli business circles. Since Kaponi thus did a great deal for the Serbian cause, one of the tasks of "Boss Jezda" and his companions in Tel Aviv was to "institute order" with the help of Israeli connections.

Izidor Kabiljo Is Coming To Replace Kaponi

Ellad, Jezda, and the others foisted some false information and some more or less correct information upon the members of the assembly of the Association of Immigrants from Yugoslavia. They thus succeeded in removing Kaponi and putting Izidor Kabiljo, a Sarajevo architect now living in Haifa, in his place. Although they presented him as a representative of the united Croatian and Bosnian-Croatian immigrants, that still does not mean that he also favors Croatia and Bosnia-Herzegovina, or Croats and Muslims. In fact, he has also stated several times that "the development of the situation in Croatia and the strengthening of Islamic fundamentalism are threatening the survival of Jews in both of those former Yugoslav republics." This association is thus formally no longer headed by a Serbian representative, although in reality it is different.

Kabiljo, immediately after his appointment, met with representatives of the Serbian-Jewish Friendship Society, and to everyone's satisfaction agreed on "the development of relations to their mutual benefit." On the other hand, it had already been announced that they would "seek those who had exploited the misfortune of the Serbian people and tried to make a profit in purchasing the humanitarian aid and other things needed to defend the Jewish and Serbian peoples against genocide." Several arms merchants, who were also involved in the sale of arms to the FRY, somehow left Israel at that time and went to an unknown destination. They included a representative (?) of the Austrian enterprise Swerowski and a certain Croatian citizen, who had already been living in Israel for a long time, where he portrayed himself as a representative of the Zagreb enterprise "Voce."

Jugoskandik Bank Vault Funds Robbed

93BA0936A Belgrade POLITIKA in Serbo-Croatian 16 Apr 93 pp 1, 9

[Article by A.K., M.J., and D.S.: "Jugoskandik's Vault Robbed"]

[Excerpts] At about 0430 hours yesterday, masked and armed individuals robbed the vault of Jugoskandik in Belgrade, at the corner of Smiljaniceva and Marshal Tolbukhin Streets. It is estimated that the robbers stole about 3.5 million German marks [DM]. In their haste (or perhaps celebrating), the unknown persons scattered some "small change" over the roof and street. Not a single bullet was fired in the "Robbery of the Century."

In the room where the vault is located, there were seven guards and three members of the depositors' association: All were handcuffed. The gold bars and gold coins, weighing a total of about 155 kg, were not even touched.

The greatest secret is the manner in which the robbers obtained the combinations of the two doors at the entrance to the room with the money as well as the combination of the vault itself. After all, we have learned from reliable sources that no burglar's tools were used in the operation.

The guards offered hardly any resistance at all; only one of them received a blow with a gun butt. The robbers were armed with electric prods and pistols, which confirms that they wanted to carry out the robbery with as little noise as possible.

Just a day before the robbery, two Economic Court judges convinced depositors that the money had to be moved to the vault of the National Bank of Yugoslavia [NBJ]. That same day an operational team from the Vracar SUP [Secretariat for Internal Affairs] searched the building looking for a way in which possible robbers might enter. None of that bore fruit.

Following the departure of Jezdimir Vasiljevic, owner of Jugoskandik, and the nervousness which thereafter prevailed among his depositors and business partners from banking and political circles, yesterday's robbery in the center of Belgrade raises many issues and gives the entire case a special dimension. [passage omitted]

We know on good authority that that same day special police of the Serbian MUP [Ministry of Internal Affairs] searched the entire building and roof looking for the slightest possibilities robbers might take advantage of to enter. Obviously, that did not help either. The tenants of neighboring buildings say that every day except yesterday a police car could be seen at the corner of Smiljaniceva and Marshal Tolbukhin Streets. It is also well-known that all the guards were on the third floor of the Office Space Building, which means that the robbers calmly walked right to the door where they used the code.

We learned from a guard (it was his day off yesterday), the only one who could enter the vault after the robbery, that his fellow guards were bound with Smith and Wesson handcuffs. They were armed with light weapons, which means pistols. We also heard that until a month ago the Jugoskandik guards had pump-action guns and Winchesters, but they had to conceal these "long" weapons because of some problems. This guard says, in contrast to what has been said earlier, that the vault was forced with a special tool.

According to unofficial information, the robbers were armed with electric prods and pistols, which indicates that they wanted to carry out the operation with as little noise as possible. This, along with the information already presented, proves that the robbery of the century had been planned in detail for a long time.

The gold bars were not even touched, because they were marked with Master Jezda's stamp, so they would have had to be melted down.

Yesterday, it was not possible in the Belgrade SUP to obtain an official statement concerning the unprecedented robbery, which, the impression nevertheless remains, evoked less surprise than one would have expected.

Further on Robbery

93BA0936B Belgrade POLITIKA in Serbo-Croatian 17 Apr 93 p 9

[Article by A. Knezevic and D. Sibinac: "The Code of the Jugoskandik Vault Was Changed a Month Ago"]

[Text] After the "Robbery of the Century," in which about 3.5 million German marks [DM] were stolen from the vaults of Jugoskandik on 16 April, a sizable number of employees of that savings bank have been investigated by the Belgrade MUP [Ministry of Internal Affairs]. From what we have learned unofficially, the list of those who will be called in for "background" interviews in the Belgrade police's Second Department is quite lengthy: Some 50 people are involved.

However, in the interest of the investigation no details whatsoever can be presented to the public.

Many guesses have been published in the newspapers about the way in which Master Jezda's vault was robbed. From what we learned yesterday from Aleksandar Mihajlovic, director for development of Jugoskandik's information systems, the codes on the doors of the office where the vault was located and the entrance to the vault itself were changed a month ago. It was done personally by Mr. Mihajlovic.

Mr. Mihajlovic would also like to disclaim certain allegations in yesterday's POLITIKA report on the robbery, but he cannot give details because the investigation is in progress. He nevertheless did tell us that the codes on the doors of the office and the vault were not the same, as we had written, and they could not be used if the doors were locked.

According to our informant, only very few people knew the codes, and they also knew exactly who might have had keys. Nevertheless, Mihajlovic leaves open the possibility that someone could have learned the secret combination, just as he could also have had duplicate keys made.

It is hard to say whether any of the members of the depositors' committee, who have spent days and nights in the Office Space Building, might have learned such confidential bits of information. But even in that case the list of people who might come under suspicion is not small: About 40 depositors have been taking shifts at that "job" every day.

According to the most recent information, one guard was forced to help the robbers, which, if it is true, would contradict the data given, that the masked men knew the combinations.

Petar Stamenovic, chairman of the depositors' committee, challenges allegations in certain newspapers that members of that committee were involved in the robbery.

"The most important effort of the committee is for Jugoskandik to resume operation. The savings bank's assets are assessed at about DM15 million, which is a solid basis for continued operation. The committee plans a public meeting of depositors, where an agreement would be reached concerning future operations," Stamenovic said.

We have learned that the robbers' loot consisted mostly of Austrian schillings and Italian lire. They took only about DM250,000.

No one can say as yet how it happened that the robbers were not noticed in good time on the monitors that show part of the corridor. The office where the vault is located and the vault are at the end of the corridor, which is also where the camera is located. The guard room is located across the way, but, it is known that seven armed guards did not manage to offer any serious resistance. The attackers probably were armed with Kalashnikovs and CS-99 pistols, and it is assumed that they first incapacitated the three depositors who were sitting in the room at the front of the corridor, across from the elevator.

In its communication yesterday, the Serbian MUP merely repeated sparingly the data on the crime already known to everyone. Today, however, no reaction came from the glass building in Knez Milos Street to the fact, emphasized several times, that on the morning of 16 April only there was no police car in front of the Office Space Building.

Experts Aid Dafiment Banka To Overcome Crisis

93BA0936C Belgrade POLITIKA in Serbo-Croatian 17 Apr 93 p 9

[Article by Biserka Dumic: "Komazec: Dafiment Banka Will Not Close Its Doors"]

[Text] Although the hopes of depositors, who for days have been unable to withdraw interest, much less principal, have already begun to die, Dafiment Banka will probably not fail. To be sure, for a bank, which is obviously in a difficult situation, to be able to get on its feet again it will probably have to restrict payment still more. Dafiment Banka will go through consolidation, but there will be no bankruptcy, and the doors of the bank, although many people have feared it, will not close, not even temporarily. At least that is what we were told yesterday in an interview for POLITIKA with Dr. Slobodan Komazec, one of the specialists on the team who, in coming days, will take on the obligation of pulling Dafiment Banka out of the dubious situation in which it obviously has found itself.

"It is true that there was the idea of carrying out the bank's consolidation in such a way as to interrupt the process of taking and making payments for a month. After that, an examination would be made of the status of all balance-sheet relations, obligations, receivables, and the bank's inflow and outflow in order to obtain a sound basis and the true state of affairs for the new philosophy of the bank's development. That concept better suited Dafiment Banka, but we feel that the social factor is also important, because thought must be given to the 'little' depositors who must be furnished their income," Dr. Komazec explains.

There Is Hope

Meanwhile, is there a real basis for pulling Dafiment Banka out of the crisis, in view of the fact that the large amount of money paid out has caused an imbalance in accounts, because there are virtually no more new incoming payments?

"On the basis of our examination in the first phase of all the balance-sheet elements and the rate of inflow and outflow and obligations in coming months, as well as the possibility of refunding and relending capital invested earlier, we concluded that Dafiment Banka has the ability to 'close out' momentary imbalances in certain segments. That is yet another argument in favor of the position that Dafiment Banka should remain and be consolidated," Dr. Komazec replied.

He adds that as an expert concerned with bankruptcy and one who monitors world processes in the banking industry, he was in favor of preserving Jugoskandik. "Do the depositors of Jugoskandik have to teach the secrets of banking to the official authorities and the central bank that it is better for the bank to survive than to fail, that is, to shut down?" Dr. Komazec said.

But setting the ceiling on interest rates, controlling note issue and withdrawal of money, along with the other most recent Federal Government measures will also put other banks in a quite different financial environment than they have had up to now. The lowering of interest rates that have prevailed up to now, which no bank in the

world could have supported, because interest obligations have been accumulating fantastically, was a necessity, Dr. Komazec explains.

The private banks that became most involved in the interest-rate war will, of course, be in a special situation. It will be necessary, then, to carry out a very rapid reconstruction of the entire business philosophy, turning more and more from the sphere of redistribution of inflationary income and fictitious savings toward real savings and profitable investments.

Enormously Inflated Balance Sheets

"What this actually means is that most of the banks will have to be transformed from conventional savings banks into real banks of the business and development type. To be sure, they have up to now played a role in social welfare. They have softened the blow to social welfare and accomplished a fantastic redistribution of income through the interest mechanism, as can be seen from the balance sheets of certain banks, where almost 90 to 95 percent of dinar savings have been returned in payments to the public," Dr. Komazec commented.

"In that regard, Dafiment Banka, which, as is well-known, played an important social welfare function, will have to undergo transformation, to introduce a new way of doing business, and to turn toward the development function. At the same time, when the relations between components of the balance sheet are examined and the anticipated inflow and outflow, a broader basis will be created for highly professional new management of the bank. After all, a bank cannot be run by people who have been given minimum training on the job. It is a very sophisticated and complicated subject matter. There are firm principles that govern the business operation of a bank and they are familiar only to a person who is very familiar with the mechanism of the inflow and outflow of funds in a bank," Dr. Komazec said.

He therefore thinks that the depositors who are standing in line at the moment and impatiently waiting to get a "crumb" of their savings, will understand the process of consolidation in the light of everything that is happening concerning Dafiment Banka.

"After all, only living, working banks can offer deposit security and interest payments. It is true that no world-class bank would be able to withstand the kind of stampede that has pressured Dafiment Banka and which occurred after the failure of Jugoskandik," Dr. Komazec said.

Nevertheless, it remains to be seen whether the consolidation of Dafiment Banka—and Dr. Komazec says it is not too late—will make it possible for depositors to get back the money they have deposited. Until then, all depositors can do is to hope and be patient.

Serbia

Sainovic Denies Bosnian Serb Leadership Barred Entry

LD1105214893 Belgrade TANJUG in English 2107 GMT 11 May 93

["Pool" item]

[Text] Belgrade, May 11 (TANJUG)—No one has been banned from entering Serbia including the leadership of the Bosnian Serb republic, Serbian Prime Minister Nikola Sainovic said in a statement to Belgrade Television on Tuesday evening.

President of the Bosnian Serb republic Radovan Karadzic told REUTERS on Sunday and Vice President Biljana Plavsic confirmed it on Monday that the Bosnian Serb leadership was not allowed to enter the territory of the Federal Republic of Yugoslavia.

The Serbian Government on Monday denied Karadzic's and Plavsic's allegations, saying that it issued no special decision to that effect.

Belgrade Television said in a report from Zvornik, the Bosnian Serb town bordering with the F.R.Y., that on Tuesday "Mr. Krajisnik (the speaker of the Bosnian Serb parliament) and Mr. Karadzic crossed the border without any problems and entered the F.R.Y., that is Serbia."

Sainovic said the regulations of the border regime for "citizens, merchandise, freight and passenger traffic, and also officials would further be applied, as it was the case on Tuesday."

Last Thursday, the governments of the F.R. Yugoslavia and Serbia decided to suspend aid in fuel, money and raw materials to Bosnian Serbs, and continue to send only food and medicine.

The decision followed a refusal by the Bosnian Serb parliament early that day to accept the overall Vance-Owen plan for the former Yugoslav republic of Bosnia-Herzegovina. [passage indistinct]

Oil Industry Problems Discussed

93BA0987B Belgrade BORBA in Serbo-Croatian 23 Apr 93 p 12

[Article by Jelica Putnikovic: "Petroleum Industry of Serbia Sacrifices Development: Independence on One Well"]

[Text] *Blockade or not, Serbia faces problems in securing adequate quantities of petroleum derivatives and natural gas. This not at all optimistic prognosis has been the essence of recent interviews of leading figures at the Petroleum Industry of Serbia [NIS] by journalists. Because despite all the praiseworthy results in increasing the production of derivatives and gas since the economic sanctions were imposed, the NIS directors emphasized the fact that without an adequate*

government pricing policy there will be less and less of these strategic products on the market.

"If the blockade continues, we will have to cut exploration activities in half and energy production by 15 percent," says Srba Stankovic, the director of NIS "Naftagas," a company that extracts crude oil and natural gas from deposits in Vojvodina. NIS director Milan Djakovic emphasizes that without adequate support from the Serbian state, NIS is well on its way to totally exhausting all domestic reserves. If one crosses the line that represents the extreme limit of staying power in the economy, it will be impossible to produce 1,178,100 metric tons of crude oil and 785,424,000 cubic meters of natural gas. Furthermore, NIS had also planned for 1993 to produce 182,100 metric tons of crude oil from its deposits in Angola. But if the blockade continues, it will not be possible to supply enough for domestic consumption this year either.

"Over the course of last year, which we spent entirely under blockade due to Croatia's decision to shut down the Adriatic Pipeline, NIS nevertheless was relatively successful in performing the key tasks in supplying the market. We increased the production of crude oil by 6.1 percent, which is not only a record for us but also a success by European standards. Only Norway and Denmark have posted greater growth in the extraction of petroleum. With four new deposits and 25 wells in the existing fields, we increased the production of natural gas last year (compared to 1991) by 15.2 percent," NIS officials explained, emphasizing that because of the untimely coordination of prices with the rise in the foreign exchange rate and domestic inflation, they ended last year with a loss of 160 billion dinars. Part of the deficit—40 billion—was immediately covered by their own reserves, but monetary difficulties are continuing. Even though they themselves are indebted to their local suppliers, they cannot collect 300 billion from domestic buyers, the ones with priority status, where it was impossible to cut off the supply because of outstanding debts (for example, heating plants this past winter).

The Petroleum Industry of Serbia also shows a debt to foreign suppliers of crude oil. Djakovic refused to say what the figure actually is, but he emphasized that in the present situation it is even favorable to NIS that all financial transactions were frozen by the economic sanctions, including payments for the petroleum acquired before the blockade.

Djakovic cites as a particular problem the undefined mechanism for returning derivatives to the commodity reserves. Because NIS still returns it "kilo by kilo," which means a pure loss due to the price changes in the period between the loan and the moment when it is returned. However, loans are necessary, because in processing domestic petroleum each month NIS produces only 25,000 metric tons of diesel, while 40,000 are needed for agriculture alone.

Noting that domestic production can meet 25 percent of the actual demand for petroleum derivatives, and one-third of the so-called compulsory (reduced) demand for natural gas, Stankovic warns that under the present-day conditions extraction is in jeopardy. Demanding that the state stop keeping the price of domestic petroleum and gas "three times lower than the world price, because the only element where NIS spends less is on worker wages," Stankovic says that without new fuel prices there will be neither development nor production. Exploration has already been sacrificed—during 1992, only one well was begun, but it was not completed, something that has not happened since "Naftagas" was founded. This large company is hardly making both ends meet in terms of spare parts, intermediate goods, equipment, consumable raw materials.... In order to offset the arrears from last year, it should explore at least 40 new wells, for which 40,000 meters of pipe are necessary.

"We have sought the incorporation into the price structure of a mechanism whereby 5 percent of the retail sale price would go for exploration and the construction of gas storage facilities. We are not thinking here simply of maintaining operations under blockade conditions, because even if it were lifted NIS would need more money to purchase raw materials, settle foreign debts, buy crude oil.... But if the blockade continues, we will have to cut back by half, and reduce the production of petroleum and gas by 15 percent," Stankovic concludes.

[Box, p 12]

Appearance of New Price Hikes

Commenting on the demand for certain types of petroleum derivatives, Milan Djakovic says that diesel is most important in April and that after that, this fuel is prepared for harvest time.

Gasoline, which since the imposition of the blockade has mostly gone for sale at gasoline pumps, will now be directed for other purposes as well. For May, Djakovic promises motorists "somewhat more fuel than at present." However, the package also includes the promise that by the end of May there will be two price adjustments, and the comment that demand will fall off at that point, because not everyone will be able to pay for fuel.

Kosovo

Serbs Wage 'Undeclared Fight' Against Albanians

AU1105143493 Tirana ATA in English 0819 GMT 11 May 93

[Text] Tirana, May 11 (ATA)—The situation in Kosova continues to be tense. Serbian authorities are waging an undeclared fight against the peaceful Albanians. This was also noticed over the last week with the killing of two Albanian youths in Brekoc of Gjakova and the wounding of another three Albanian youths in Prishtina and Peja, which added to the list of dozens of Albanians killed and wounded some days ago in the border with Albania and other territories of Kosova. These victims testify to an unprecedented militarization of Kosova which escalated during this week

with the sending, movement and new build ups of the military, police, and premilitary Serbian forces.

The numerous killings, wounding, raids, arrests, and maltreatments, also doubled with the use of arms, cannot be called incidents. This is a very dangerous policy, a policy of open violence which aims at further escalating violence as a method and means to realise Serbian genocide in the Albanian ethnic territories.

U.S. Delegation Talks With Kosovo Albanians Scored

93BA0987C Belgrade BORBA in Serbo-Croatian 21 Apr 93 p 12

[Article by Milos Antic: "What U.S. Delegation Discussed in Kosovo: Diplomacy Without Gloves"]

[Text] Last week, which was Easter week, Kosmet [Kosovo and Metohija] and Pristina were hosts to two U.S. delegations. The first was a four-member group of U.S. congressmen, led by Eliot Engel, and on Easter itself there was a delegation from the U.S. Senate with several members, led by Dennis DeConcini.

In both cases, the circumstances of their stay were exactly the same. First, they spent five or six, or even more, hours in discussions with the Albanian side, after which they each spent only a hour with the official representatives of the Serbian authorities in Kosmet, at most an hour and a half. Just the amount of time they needed to present their demands, to explain them partially, and to announce that they do not want to hear Serb explanations, because "they already know everything." All attempts by the official state representatives of Serbia and Yugoslavia to explain what is happening in Kosmet from their perspective met with disapproval, gesticulations, head-shaking, sneers, and, all in all, a lack of interest. The guests took seriously only that part of the talks that was a negative response to their questions and demands.

These delegations to Kosmet were preceded by numerous similar ones, a total of 90 over the past six months. However, never—as in these two cases—have the representatives of these delegations ever made ultimatums to the official Serb discussion partners. This time, this happened in both cases. And without any diplomatic leeway whatsoever.

In both talks, the U.S. congressmen and senators demanded that Serbia and its institutions unconditionally allow the Albanians to hold a constituent assembly of their parliament, which they said was "legally elected" in May of last year. They warned that "it is desirable" that Serbia allow that by peaceful means, and that if "in any case" it "uses force" against Albanian members of parliament, "the U.S. Government will take that seriously and respond accordingly." The next demand was that "autonomy be restored to the Albanians and to Kosovo." The third was to open Pristina University for instruction in the Albanian language, while the fourth was the release from prison of Dr. Ejup Statovci, the rector, they said, of the Albanian university in Pristina.

Before this, the Serb representatives were told "to their face" that "the human rights of the Albanians in Kosovo are being violated," that "force and repression are being exerted against the Albanians," that "Kosovo is being ethnically cleansed under pressure from the Serb police and armed forces," and that thus "the Albanians were justified in not participating in previous Serbian and Yugoslav parliamentary elections." They asked that all this be stopped immediately, because otherwise, they emphasized, "the international community will not sit with its arms crossed." They did not hide the fact that they "fully support" Rugova's "10-point peace plan," despite the fact that his ultimate goal is the secession of Kosovo. In the talks with Albanian representatives, unreserved support for "their just struggle" was offered, and the support of the U.S. Administration and a U.S. commitment to "bringing the Albanian question before the UN Security Council" were promised. Words of encouragement were directed toward them in terms of persevering "in their aims and goals," because "if the Serb side does not restore autonomy to Kosovo and voluntarily agree to the placement of Kosovo under international protection by June, there will be effective action by the international community and Kosovo will be placed under international jurisdiction, in accordance with Rugova's demand." And that will happen by hook or by crook, as the local public was informed.

With regard to the assembly, the Albanian officials held their ground even when it was proposed to them that they help form a joint Kosmet parliament of Serbs and Albanians. Nor were they interested in the fact that "Serbia will never, at any price, allow the formation of a separate Albanian parliament," and even less "the use of that approach to create the conditions for the promulgation of a decision on the secession of Kosovo from Serbia." There was also no response to the question of what it would mean if every national minority in Serbia had its own parliament. In that context, no interest was shown in clarifying the question of Kosmet autonomy. Kosovo has this autonomy under the current Serbian Constitution, the Serb representatives said. In their opinion, the problem is that the Albanians do not want autonomy within the framework of Serbia. They asked how it is that the U.S. side binds Serbia to recognition of Kosovo autonomy when in fact the Albanians, through their representatives around the world, and thus also in talks with U.S. delegations, give primary emphasis to the fact that they want nothing other than an independent and sovereign Kosovo. Thus, new states in the Balkans. They asked, why then the threat of a protectorate over part of the sovereign state territory of Serbia, where peace prevails? There was also no response to the question of whether they were not in this way offering the Albanians the opportunity to achieve, with the help of the international community, a second state of their own by depriving Serbia of part of its oldest and richest land.

A number of other questions were also left unanswered, especially the one about the application of double standards. The only thing behind these talks were bare ultimatums. Through the mention of specific deadlines, a general psychosis of "Kosovo being next in line" was created. There is justified fear that the very next step by the Albanian alternative—and it is presenting itself in the form of the imminent holding of a constituent session of the Kosovo parliament—could be the extremely dangerous spark that will set fire to a new Balkan conflagration.